

## Racing to Superconductor Age

### U.S. Industry Hastens the Move from Lab to Market

By James Gleick  
*New York Times Service*

NEW YORK — Industry in the United States is embarking on a frantic competition to turn a few gray-black chunks of ceramic into impossibly efficient electric transmission lines, impossibly small computers and impossibly fast levitating trains.

The discovery of a new class of superconductors, materials that carry electric current without any loss of energy, has opened the door to a host of futuristic applications. The result, according to many government and industry officials, appears to be a dramatic hastening of the usual process of bringing a new technology from the laboratory to the marketplace.

In industries ranging from computers to electrical power, companies are acutely aware not only of domestic competition but also of a strong national effort under way in Japan.

"All of the processes are being accelerated," said Paul Fleury of American Telephone & Telegraph Co.'s Bell Laboratories, one of the industrial research centers at the forefront of superconductivity work. "We're considering questions related to technology in a much earlier time than I've ever heard of."

The most optimistic predictions

suggest that large-scale applications of the new materials will take years to develop. But, even as theoretical physicists struggle to understand the materials and improve their current-carrying qualities, engineers already have begun to make

**There is a tremendous potential market out there for people who can bring this technology into commercial practice.**

— Donald K. Stevens,  
U.S. researcher

rapid progress on the first essential production problems.

They are taking the brittle pieces of ceramic that caused the first excitement and turning them into usable shapes; the wires and thin films on which every practical application will depend.

Bell Laboratories and Argonne National Laboratory in Illinois announced separately this week that they had fabricated the first flex-

ible, current-carrying wires of the material.

Bell said it expected its process to be commercially viable. Several other research centers have turned the superconducting material into thin film that could be used to paint electronic circuits on a chip.

The research has a staggering potential for transforming both science and the technology of everyday life. So companies have begun looking for ways to shorten the customary road from a scientific discovery to a commercial technology, from research to development to production.

"The funding agencies are going to put it mildly, bananas," said Paul Richards, a physicist at the University of California at Berkeley, "and there is a lot of pressure on the materials people to move quickly."

Mr. Richards has studied several of the possible applications, including high-speed trains that would float in the grip of superconducting magnets.

In the United States, some officials are seeking a coordinated national effort. Legislation has been introduced in Congress to establish a new Commission on Commercial and National Defense Applications of Superconductors. Senator David F. Durenberger, See CONDUCT, Page 6

## Moscow Displays Wiretaps

### It Accuses U.S. Of Eavesdropping On 'Huge' Scale

By Gary Lee  
*Washington Post Service*

MOSCOW — The Soviet Union accused Washington Thursday of wide-scale espionage and backed up its charges with a display of wiretaps and other spying devices that it said were taken from five Soviet facilities in the United States.

A Foreign Ministry spokesman.

An architect for the Soviet Embassy describes the discovery of electronic bugs. Page 3. An expert warns that Moscow's monitoring network is larger than suspected. Page 3.

Boris Pyadyshyev, said at a press conference that the charts, photographs and equipment presented here represented only a sampling of the "huge proportions" of eavesdropping equipment periodically uncovered in Soviet facilities in the United States.

U.S. espionage against the Soviet Union constitutes "an electronic invasion," Mr. Pyadyshyev said.

In 1979, when the new Soviet Embassy in Washington, which was completed in 1980, was under construction, the Soviet Union charged the United States with planting listening devices in it.

Soviet spokesmen said Thursday that, despite Soviet protests, the scale of bugging of its missions in the United States has increased. They said some of the equipment was discovered "just the other day."

Mr. Pyadyshyev charged Washington with launching a campaign of "spy mania" against the Soviet Union "to distract attention from its own gross violations of diplomatic practice and pure human morality with regard to Soviet institutions on its own territory."

In recent weeks, Washington has alleged several cases of espionage, sexual enticement of U.S. marines by Soviet citizens and bugging in its facilities in the Soviet Union. This was highlighted by an announcement by President Ronald Reagan on Tuesday that the newly built U.S. Embassy in Moscow may have to be demolished due to security breaches.

[In Washington, U.S. officials See MOSCOW, Page 6



## Governor for Hong Kong Is Sworn In

Sir David Wilson, wearing a plumed ceremonial hat, reviewed an honor guard of Gurkha troops Thursday in Hong Kong before he was sworn in as the governor of the British colony. Sir David, 51, a career diplomat and China expert, succeeds Sir Edward Youde, who died in December. There is no fixed term for the post. Hong Kong is scheduled to be returned to Chinese sovereignty in 1997.

## In Cambodia, a New Capitalism

### Private Sector Booms as Party Stresses Economic Realities

By Keith B. Richburg  
*Washington Post Service*

PHNOM PENH — Starting alone from a small wooden house eight years ago, Seng Veng has built up a private auto repair business that now employs 10 workers. He charges about \$300 to overhaul a wrecked car, and his workers earn close to \$500 each month in a Communist country where the official monthly salary is about \$20.

Kong Suon runs a private furniture-making shop, constructing desks and tables and chairs priced theoretically beyond the reach of any Cambodian. Yet, he employs more than a dozen workers and pays 10 times as much in monthly taxes as most government employees here earn.

Private sector activity under communism is blossoming in Cambodia. Success stories abound, from the silver shop owner to the woman who makes fruit drinks in an electric food processor at the private marketplace. All over Phnom Penh, the capital

of a supposedly socialist, classless state, the private sector is flourishing, with new entrepreneurs setting up beauty parlors, tailor shops and even selling bottled gasoline on street-side stands.

Allowing free enterprise to bol-

### Communism Can It Reform?

Last in a series of articles.

ster a sagging economy might sound heretical for a Marxist state wedded to state control and central planning. But it is an idea that has found increasing currency among the three Communist countries of Indochina.

Twelve years after communism was consolidated in Indochina following bitter wars, Vietnam, Laos and Cambodia are suffering from low productivity, chronic shortages of goods, unemployment and agricultural output that consistently falls short of state goals.

## Kiosk Senate Is Critical Of Shultz Trip

WASHINGTON (AP) — The Senate, angered at reports of widespread espionage at the U.S. Embassy in Moscow, urged Secretary of State George P. Shultz on Thursday to cancel his planned talks with Soviet officials next week or find a secure place in which to hold them.

The vote approving a non-binding, sense-of-the-Senate resolution was 70-30. The State Department declined immediate comment, but Mr. Shultz has indicated he intends to go ahead with the trip. (Related Story, Page 2.)



## The first round in National Hockey League playoffs produced some upsets.

Page 17.

### GENERAL NEWS

Spanish union officials predicted that 1 million workers would strike, halting most air and rail traffic. Page 2.

U.S. women voters are likely to play a more visible and important role in the 1988 presidential elections. Page 3.

### TRAVEL

Rural Switzerland: the unspoiled joys of the region of Emmentaler. Page 7.

### BUSINESS/FINANCE

The EC said it would probe complaints that Japan was selling computer chips in Europe at unfairly low prices. Page 11.

Hospital Corp. of America said it had received a \$3.85 billion buyout offer. Page 11.

## Herzog Exhorts Bonn Against Arming Saudis

By Reuters

BERLIN — President Chaim Herzog of Israel became embroiled Thursday in a West German dispute over arms sales to Saudi Arabia, telling Bonn that it had a special responsibility not to help enemies of the Jews.

Mr. Herzog, whose visit of reconciliation to West Germany has been marred by the dispute, broke his silence on the issue before visiting the Berlin Wall.

In an interview with West German television during the flight to West Berlin from Bonn, Mr. Herzog objected to the timing of the debate and repeated Israel's strong objections to the sales.

"I believe that the special relationship between us places also a responsibility on the Federal Republic, which requires it not to help those who maintain that they are in a state of war with Israel or openly declare their hostility to Israel," he said.

The dispute was set off when Hans Klein, the minister of development aid and a member of the rightist Christian Social Union, said in an interview published on Sunday that Bonn should allow West German arms manufacturers to sell to Saudi Arabia.

Bonn tried to stifle the dispute but Franz Josef Strauss, the Bavarian leader, insisted that arms for Saudi Arabia were in Western and Israeli interests and that West German firms should supply the weapons.

Contradicting the government, in which his Christian Social Union is a coalition partner, Mr. Strauss said, according to his party newspaper, that Bonn was highly interested in seeing a West German shipyard win a \$4-billion contract to build submarines for the Saudis.

The newspaper reported that arms sales were being considered and that Chancellor Helmut Kohl supported the effort to secure for the submarine contract.

Government sources have said that Bonn would grant an export license if a West German shipyard won a \$4-billion contract to provide the submarines.

Mr. Herzog said that Mr. Strauss's views were not new to him, but he found that the timing of his statement broke the accepted rules on international conduct.

## Herzog Exhorts Bonn Against Arming Saudis

The dispute overshadowed a plea by Mr. Herzog for greater freedom for Soviet Jews, which he made after laying a wreath to commemorate victims of the Nazis.

He was accompanied at the ceremony by the president of West Germany, Richard von Weizsäcker, and the mayor of West Berlin, Eberhard Diepgen.

Members of the Jewish community, estimated at about 6,000, followed Mr. Herzog to a memorial where he laid the wreath. The memorial, a gray stone wall, was flanked with the Israeli and West German flags and bore the inscription, "To the Victims of the Nazi Dictatorship 1933 to 1945."

Police on Thursday arrested a Palestinian man suspected of preparing a bomb attack on Mr. Herzog. The Associated Press reported. The man, 36, was placed in "preventive custody" early Thursday morning, before Mr. Herzog's arrival. The police official said he would be released after Mr. Herzog's departure from the city.



GORBACHEV BEGINS VISIT — Mikhail S. Gorbachev in Prague, flanked by his wife and the Czechoslovak president, Gustav Husak, with whom he held talks. Page 2.

## Tough New Front in the War on AIDS: Addicts in New York

By Samuel G. Freedman  
*New York Times Service*

NEW YORK — Walking slowly down West 115th Street, James Johnson spotted a familiar face from his 20 years on heroin.

"Yo, homeboy," he called to a man named Bobby, who was bent over his purple beret, sipping his only pint. And then, with the credibility that only an alumnus of addiction can claim, Mr. Johnson began to tell Bobby about syringes, spoons and AIDS.

"You know you got to clean the spike with bleach and water," said Mr. Johnson, who is now off drugs and working for the state's Division of Substance Abuse Services. "Clean the cooker, too. And you throw that cotton away."

Mr. Johnson told Bobby about the free blood test for AIDS that he could get in a few days, and how someone would drive him there and return him to his favorite street corner. Before ambulating further down the block, Mr. Johnson pulled a condom packet out of his pocket.

"You carry some of these," he said to Bobby, turning jocular. "Case you see something sexy."

In the most scarred neighborhoods of

New York City, from Red Hook in Brooklyn to Tremont in the Bronx, encounters like this have been taking place by the hundreds in the last few months as the battle against the spread of acquired immune deficiency syndrome moves from the laboratories and lecterns to the streets and shooting galleries.

As experts have determined that the major route of AIDS into the heterosexual population is through intravenous drug users, people like James Johnson have emerged as the foot soldiers in the war against the disease. They are charged with educating current and former drug users about the disease, bringing them to state centers for blood tests and extended counseling, and trying to find openings for them in the city's overwhelmed drug treatment programs.

So Mr. Johnson moves through Harlem, clinical and profane in equal measure, acting as the Richard Pryor of the safe sex set. But the sell isn't easy and the task ahead is enormous. New York has an estimated 250,000 heroin addicts, and fully 37 percent of the city's 9,709 reported AIDS cases, including virtually all of the heterosexual ones, involve present or past ad-

dicts, their sexual partners or their children.

"In terms of the heterosexual spread of AIDS in the city, the I.V. drug user is the key," said the city's health commissioner, Dr. Stephen C. Joseph, using an oft-heard term for intravenous. "But nobody has had great success reaching them. All of

**Health officials agree that the intravenous drug user is the key to the heterosexual spread of AIDS in the city.**

— the city, the state, the various voluntary programs — are just at the very, very beginning."

No one in the hierarchy of AIDS education will go so far as to say that the primary focus has shifted from the homosexual population to intravenous drug users, most of whom are heterosexual.

Since New York state's Outreach Pro-

gram began in January, 1,000 current and former addicts have received counseling and been checked for the AIDS virus, with 18 percent of them testing positive. The state's five centers are expanding their hours and two new centers are to open in the next few months. The city's AIDS education project has sent 16 workers to 500 community groups, from block associations to churches, to try to mediate local resistance to the centers.

"We're expanding and we're modifying," said Mel Rosen, director of the state Department of Health's AIDS Institute. "We're talking about condoms now. We're talking about an experimental needle-exchange program. There has been so much pressure on the government not to use certain words. But there's a point where public health has got to take over."

The various efforts to reach drug addicts, AIDS educators say, have been dogged by both public and private opposition — to the narcotics users themselves and to the idea of setting aside moral and law-enforcement considerations in order to contain a disease with no known cure.

"If you want to make a point about what's wrong with the system, it's that we

weren't doing this in 1985, and we wanted to," said Mr. Rosen. "That alone wouldn't have stopped the epidemic, but I wonder how many people were infected within those two years, how much AIDS was spread in those two years."

Now under way, the Outreach Project faces enormous odds. Narcotics addicts are by necessity furtive and suspicious. Their habit alone is a daily dalliance with mortality. Given a life filled with risks — overdoses, hepatitis, jail — the threat of dying from AIDS seems, to many, merely redundant.

"Ninety of 100 guys won't come in," said Charles, a 34-year-old former addict who was receiving a blood test and counseling at a state installation in Jamaica, Queens. "They're either too high or else they're trying to score their fix. They don't want to know if they're sick. And if they're sick, they want to put it off — till tomorrow comes. But tomorrow never comes."

Terry Kennedy, supervisor of the AIDS Outreach office in the Bronx, recalled one case in which "I talked to a guy one day, he said, 'I don't care if I got AIDS, I'm gonna die anyway, might as well take some with me.'"

## Dollar Off On Baker Remarks

### Markets Test Accord by G-7; U.S. Stocks Sink

Compiled by Our Staff From Dispatches

NEW YORK — The dollar closed at a 40-year low against the yen in New York on Thursday after a statement by Treasury Secretary James A. Baker 3d that markets took to mean the U.S. government would agree to a further orderly fall of the dollar.

The dollar's decline triggered heavy selling of Wall Street stocks and the Dow Jones industrial average closed at 2,339.20, off 32.96 on the day (Page 10). Bond prices also fell.

The chaos in the markets fol-

lowed a meeting late Wednesday by finance officials of the United States, Japan, West Germany, Britain, France, Italy and Canada, known as the Group of Seven, at which they renewed the commitment made on Feb. 23 in Paris to cooperate to stabilize major currencies "at around current levels."

Thursday's severe selling pressure on the dollar was seen as a test by currency markets of the group's resolve to defend that commitment. Italy's finance minister, Giovanni Goria, said foreign exchange markets had asked the Group of Seven what they would do to protect the dollar and they had "found the answer was weak."

"In terms of imbalances in the exchange rates, things haven't improved" since Feb. 27, he said.

Wednesday's G-7 session, held during the spring meetings of the International Monetary Fund and World Bank, produced no new initiatives to prop up a dollar that has fallen roughly 5 percent against the yen since the Paris agreement.

The group's failure to come up in its communiqué with specific new measures to eradicate world trade imbalances sharply increased sentiment against the dollar, dealers said, and the way appeared clear for further falls.

Rumored moderate selling of yen by the U.S. Federal Reserve did little to halt the dollar's decline, they said.

In early New York trading, the market was bearish but fears of

See DOLLAR, Page 15

## Opposition In Yugoslavia Still Divided

By Jackson Diehl  
*Washington Post Service*

BELGRADE — Despite recent strikes by Yugoslav workers and a mood of public discontent, the development of a nationwide opposition movement to Communist rule is still considered unlikely by leading intellectual dissidents here.

Opposition activists and Western diplomats say that workers who went on strike in at least 168 concerns across the country last month are making pay demands and appear unready to forge independent links among themselves or adopt a broader program.

More importantly, these activists say, the country's intellectual opposition, although steadily growing in recent years, is divided and unprepared for a confrontation with Communist authorities.

Dissidents say the present political balance could shift if the government uses force against workers or if economic conditions deteriorate. For now, however, they say, national Communist leaders and Prime Minister Branko Mikulic face stronger opposition from local Communist authorities than from society as a whole in attempting to implement economic austerity.

"You have a lot of groups and a lot of platforms, but you don't have a common platform anywhere," said Mihajlo Markovic, a leader of the dissident Marxist group Praxis. "Any effort at a broad opposition movement would be immediately suppressed."

The recent strikes, which followed wage cuts and freezes meant to halt three-digit inflation, was a rare show of national protest. Yugoslavia is divided into six self-governing republics and two provinces, with differences in nationality, wealth, religion and language. Its 23 million people have experienced increasing political fragmentation since the death of its postwar leader, Marshal Tito, in 1980.

Political opposition has largely remained compartmentalized within the republics and has been dealt with by republican rather than federal authorities. The recent strikes were handled by individual republics.

"The point that we should be

See COMMUNISTS, Page 2

See BELGRADE, Page 6



# In U.S., Discord On Arms Control

By Craig R. Whitney  
*New York Times Service*  
WASHINGTON — Three days before Secretary of State George P. Shultz was to leave for arms control talks in Moscow with Mikhail S. Gorbachev, he got his negotiating instructions from President Ronald Reagan at a meeting at the White House on Wednesday.

### NEWS ANALYSIS

normal bureaucratic wrangling between government agencies before any crucial meeting with the Russians.

But in the Reagan administration, fundamental discord on what should be negotiated with the Russians has gone on for most of the last six years.

And according to several officials directly involved this time, that discord continued right up to the national security meeting the president led at the White House on Tuesday.

Some disagreements may not have been resolved even then, they say, and one of the reasons is that the president seldom intervenes directly to tell his subordinates to stop arguing because he has made up his mind.

The last time he did so was in October, at the Iceland summit meeting with Mr. Gorbachev. He decided on the spot to offer a plan to do away with all offensive missiles within 10 years if Moscow would agree to U.S. research on the Strategic Defense Initiative.

All the European allies, and supporters and critics of the administration alike, later agreed that Mr. Gorbachev spared the president a policy disaster by refusing to agree to a plan that would have left Western Europe facing superior Soviet conventional forces.

Since last fall, the administration has publicly backed away from the proposal to eliminate all nuclear missiles, and the Soviet leaders may

have changed some of their positions as well. Mr. Shultz will find out when he starts his talks in Moscow on Monday.

But after Iceland, according to a highly placed administration official, the lower-level wrangling in the government also resumed, particularly over such questions as how to respond to informal Soviet overtures that could be presented formally next week in Moscow.

Paul H. Nitze, the special adviser to the president and to the secretary of state on arms control, has been saying publicly that a decision on when to deploy SDI should wait until it was clear that ballistic missile defense would work and that the Russians could not counter it cheaply by deploying more offensive weapons.

Secretary of Defense Caspar W. Weinberger has been saying the president wants to deploy his Strategic Defense Initiative, and Mr. Weinberger makes it clear that the sooner the better, possibly as early as 1994.

U.S. officials have not yet been able to agree on what kind of proposal to present to the Russians that would make continued work on SDI compatible with the 1972 anti-ballistic missile treaty with Moscow.

After much internal debate, the administration agreed to adopt an interpretation of the treaty that would allow new anti-missile technologies based on principles not known in 1972.

Mr. Nitze made part of the dispute public in an article he wrote last week for *The Washington Post*, after failing to get the administration to adopt one idea as an approach to the problem.

He wrote that there was "the possibility of a dialogue, along the lines some Soviet scientists have advanced, aimed at identifying the technologies now understood to be based upon other physical principles."

"Using such definitions, one can conceive of a regime that would allow SDI to proceed at a rapid but predictable pace," he continued.

Yevgeni P. Velikhov, a physicist and the vice president of the Soviet Academy of Sciences, was in Washington in January and did see Mr. Nitze, according to a spokesman for the Soviet Embassy.

Richard M. Perle, assistant secretary of defense for international security policy, said in an interview last week that such an "unofficial" approach should not be taken seriously until the Russians presented it officially. He is also said to believe the idea would be unworkable in any case.

"If we reached agreement on a schedule of permitted and prohibited activity, it'll be unverifiable," a Pentagon official said, "and it will create unequal barriers."

Mr. Perle is going to Moscow with Mr. Shultz this weekend to make sure the Pentagon's views do not get short shrift in negotiation.

A high administration official, who was asked recently, "Do we want to reach an agreement?" answered: "That depends on who we are."

# Gorbachev Begins His Delayed Visit To Prague

By Jackson Diehl  
*Washington Post Service*

PRAGUE — Mikhail S. Gorbachev arrived here Thursday for a delayed visit marked by hints of difficulties in Moscow's relationship with one of Eastern Europe's most conservative Communist parties.

Showing no sign of the cold blamed for the three-day postponement of his trip, Mr. Gorbachev appeared before thousands of spectators at Prague castle after arriving Thursday morning. He later held talks with the Czechoslovak president, Gustav Husak. Thursday evening, he walked down Prague's main shopping street before attending a banquet in his honor.

"With Gustav Husak we are going to talk about many things, above all about how to go forward," Mr. Gorbachev said as he entered the castle Thursday morning. "This is the most important thing. We will continue together."

The three-day visit, Mr. Gorbachev's first to Eastern Europe this year and second to Czechoslovakia as the Soviet leader, is expected to produce an initiative by Moscow to win public support in Eastern and Western Europe for Soviet proposals on arms control.

Western sources said that Mr. Gorbachev may announce a reduction in Soviet troop levels in this small, but heavily garrisoned, nation during a scheduled speech on Friday.

The Soviet leader's presence here has raised questions about the willingness and ability of the aged Czechoslovak leadership to come to terms with the policies of increased openness in political life and economic change promoted by Mr. Gorbachev.

There were indications here this week that the last-minute delay of the trip was caused by differences between the Czechoslovaks and Russians over Mr. Gorbachev's schedule of activities here.

Soviet officials here have suggested that bilateral economic relations could be a particular focus of discussion. Mr. Gorbachev is pressing Czechoslovakia and other East European countries to expand trade with the Soviet Union and accept such new forms of cooperation as jointly operated enterprises.

Czechoslovakia has been one of Moscow's most faithful allies since the 1968 Soviet-led invasion crushed the reform movement of Alexander Dubcek and led to the rise of Mr. Husak's hard-line regime.

While the 74-year-old Czechoslovak leader has pledged allegiance to Mr. Gorbachev's new policies, his party has been slow to take concrete steps, and several ranking officials have appeared openly resistant to following the Soviet reforms.

After weeks of debate among party leaders, Mr. Husak attempted to settle Czechoslovakia's position on a political change at a Central Committee meeting last month by declaring that while "no one is forcing us to accept the conclusions" of the Soviets, "we will learn everything that can help us."

Mr. Husak and other leaders have outlined a program of cautious economic "restructuring" and promised to study such Soviet-endorsed political reforms as secret ballots and multiple candidates in party elections.

However, the Czechoslovak program falls far short of that outlined by Mr. Gorbachev in the Soviet Union. Officials in Prague have made clear they have no intention of making sweeping changes of personnel as have accompanied Mr. Gorbachev's changes.

The public ceremony outside the Prague castle appeared to attract office workers ordered to appear and spectators attracted by Mr. Gorbachev. The authorities, who did not restrict access to the historic site, later reported that more than 100,000 persons had seen Mr. Gorbachev there or along the route from the airport.

### French Ministry Official Was a Spy for Soviet

Agence France-Presse

PARIS — A former French Foreign Ministry official spied for the Soviet secret police, the KGB, for 10 years, but was discovered to have been an agent only after he died in September 1984, Interior Ministry sources said Thursday.

He was recruited by Soviet intelligence while he was a specialist in codes at the French Embassy in Damascus from 1973 to 1974, the sources added. His identity was not revealed.



Pauline Cutting, left, a British surgeon, spoke with a Palestinian patient on Thursday as he waited to be evacuated from a Beirut refugee camp, Burj al-Brajneh.

### Israeli Copters Raid Targets in South Lebanon

Compiled by Our Staff From Dispatches

TEL AVIV — The Israeli Armed Forces Radio reported that Israeli helicopter gunships attacked Palestinian guerrilla targets near Sidon in southern Lebanon. It said the aircraft returned safely to base and pilots reported accurate hits.

The targets were three buildings used as headquarters for planning guerrilla attacks, the radio said.

Palestinian sources said that the gunships shot down one of the aircraft, United Press International reported from Sidon. Four Israeli Cobra helicopters were said by the Palestinians to have attacked the refugee camps of Ain el Helweh and Miyeh Miyeh with rockets and machine-gun fire.

Palestinian sources said the gunships, firing from heavy anti-aircraft batteries, hit one of the attacking helicopters, which fell into the sea. The port city is 24 miles (about 38 kilometers) from Beirut.

Elsewhere, more than 40 wounded Palestinians were evacuated from Beirut's biggest refugee camp Thursday as part of Syria's drive to end the five-month war in refugee camps.

Witnesses saw 47 people, including four women and three children, carried out of Burj al-Brajneh camp to 10 ambulances that then took them to hospitals. (UPI, AP)

### Irish Court Blocks EC Treaty Shift

Compiled by Our Staff From Dispatches

DUBLIN — The Irish Supreme Court blocked a major piece of European Community legislation on Thursday by ruling that it conflicted with Ireland's constitution.

The Single European Act, which alters the EC's decision-making machinery and commits the 12 member states to closer industrial, economic and security cooperation, was overruled by a 3-2 majority in the country's highest court.

Prime Minister Charles Haughey said Thursday that Ireland's membership in the European Community was out in doubt despite the ruling.

The state-owned airlines, Aer Lingus and Avio, scheduled only 53 of their normal 435 daily flights. Union leaders called a virtually total stoppage of trains, other than those that began their journey before midnight Thursday.

A spokesman for the Spanish railways said that up to 460,000 people had been expected to travel by train on Friday, including 60,000 on long-distance journeys. Many were able to leave for the coast aboard several special trains that left Madrid for the coast before the midnight strike deadline.

Subway workers in Madrid and bus drivers in Barcelona also were planning to strike, along with seamen aboard ferry and ship services operated by the state-owned Trasmediterranea line to the Balearic and Canary islands.

The government is seeking to limit wage hikes as part of its anti-inflation strategy. The workers oppose the government's economic austerity program and its plans to seek greater labor efficiency in industrial plants. Spain has a 21.5 percent unemployment rate, the highest in Western Europe. Nearly three million Spanish workers are out of a job.

The mass walkout follows three months of strikes, student demonstrations and labor unrest, including work stoppages this week by doctors, nurses and other health workers protesting cuts in health spending and proposed changes in the national health service.

The Communist-led Workers Commissions has been the principal organizer of the strikes, but the Socialist trade union, the General Workers Union, also has backed many. Its leadership issued a statement earlier this week accusing fellow Socialists in the government of impeding a social contract.

Several newspapers have attacked the government for its lack of response to the strikes. "Silence cannot be the answer," said the Madrid daily *El Pais*. (AP, AFP)

### Strike in Spain Is Aimed At Most Air, Rail Traffic

Compiled by Our Staff From Dispatches

MADRID — Union officials said Thursday they expected that more than 1 million workers would join a wave of strikes on Friday, bringing to a halt most air and rail traffic throughout the nation.

The strikes, aimed at thwarting plans by the Socialist government of Prime Minister Felipe Gonzalez to limit salary increases to a maximum of 5 percent, threatened to disrupt the travel plans of countless Spaniards and tourists expecting to begin their Easter vacations this weekend.

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### Byrd Criticizes Effort to Control Acid Rain Sources

New York Times Service

WASHINGTON — Robert C. Byrd, the U.S. Senate majority leader, said that "acid rain is not an emergency" has denounced legislation proposed to control the sources of the pollution that causes it.

Mr. Byrd, a Democrat, said on the floor of the Senate on Wednesday that he applauded President Ronald Reagan's statement in Ottawa on Monday that he would consider a proposal by Prime Minister Brian Mulroney for Canada and the United States to negotiate a "bilateral accord" to control acid rain.

The senator represents West Virginia, a coal-producing state. It would be strongly affected by efforts to control pollution from coal-burning power stations, a major source of acid rain, which is destroying lakes, fish and forests in Canada and the northeastern United States.

## WORLD BRIEFS

### Council of Europe Backs Tax Plan

PARIS (HTT) — The 21-nation Council of Europe has provisionally adopted a proposed international tax convention that would give Western governments new means of cooperating in pursuing cases of tax evasion, council officials in Strasbourg said Wednesday.

The Draft Convention on Mutual Administrative Assistance in Tax Matters, which is being actively opposed by business groups and by West Germany and Switzerland, is expected to be submitted to the council for formal approval in June.

If the proposal is not vetoed by any member country, it then would be available for signing and implementation by member governments on a voluntary basis. It seeks to encourage the exchange of information between tax authorities in cases of suspected tax evasion by corporations and by individuals.

### Craxi Again Submits Resignation

ROME (AP) — Bettino Craxi, the Socialist prime minister of Italy, submitted his resignation on Thursday to President Francesco Cossiga for the second time in five weeks, citing deep divisions in his five-party coalition government.

A statement from the presidential palace said Mr. Cossiga had accepted the resignation "with reserve" and had asked Mr. Craxi and his cabinet to stay on in a caretaker capacity.

But palace officials said that the president is expected to appoint a prime minister-designate, probably a Christian Democrat, on Friday or Saturday, after consultations with key political leaders. Mr. Craxi first offered his resignation on March 3, but it was rejected.

### Senator Simon to Run for President

WASHINGTON (AP) — Senator Paul Simon of Illinois, promising "leadership that will build, that will care, that will dream," said Thursday that he will formally enter the race for the 1988 Democratic presidential nomination on May 18.

"To the citizens of Illinois who have been so good to me, let me assure you that this step is not taken lightly," Mr. Simon said. "I would not be entering this contest unless I believed I could win."

In a brief statement, the senator, who is 58, said of his dreams, "I will not be a candidate because I want to halt the decline in the dream and hopes of too many in our party and in our country," he said. "It is time to rekindle those dreams and revive those hopes." A Louis Harris poll in February, one of the few to include Mr. Simon's name, said he drew the backing of 7 percent of those Democrats sampled.

### PLO Said to Buy U.S. Nuclear Secrets

WASHINGTON (UPI) — A senior laboratory technician with a top security clearance at a U.S. nuclear facility allegedly sold classified documents and uranium to the Palestine Liberation Organization, according to a report made public Thursday at a meeting of a House subcommittee.

The report by the General Accounting Office also said there were allegations that the employee was a rapist, had used and sold narcotics, impersonated a police officer, committed burglaries, trafficked in stolen property and committed arson for hire. The report, which was critical of the Department of Energy's security practices, did not identify the technician nor did it say where the technician worked.

The worker's security clearance was revoked in July 1986. A General Accounting Office official said that the allegations of criminal activity were being investigated and that no criminal charges had been filed. "We never read a GAO report like this in my life," said Representative Mike Synar, Democrat of Oklahoma, the chairman of the subcommittee on Environment, Energy and Natural Resources of the House Committee on Government Operations. "It was scary."

### For the Record

Authorities have identified some of the 104 bodies removed from the hull of the British ferry, *Herald of Free Enterprise*, that capsized on March 6 off the North Sea port of Zeebrugge, Belgium, killing an estimated 195 people. About 348 people survived. (AP)

Thomas C. Ferguson, a U.S. immigration official, will be nominated by President Ronald Reagan to be U.S. ambassador to Brunei. (AP)

### TRAVEL UPDATE

#### EC Airlines Move Nearer Competition

BRUSSELS (Reuters) — The European Commission said Thursday it had shelved threatened legal action against three EC airlines after they agreed to change practices that restrict competition.

The EC's executive also spelled out tough demands it will be putting on carriers in talks on liberalizing EC air transport and bringing down fares, warning that new legal moves were possible if they refused to comply.

It said West Germany's Lufthansa, Alitalia of Italy and Olympic Airways of Greece had confirmed that they were prepared to modify agreements and restrictive practices with other EC airlines without delay. On March 18, the commission gave them three weeks to show readiness to discuss the issue or face possible action before the European Court of Justice in Luxembourg.

A new airport in East London, due to open in October, will offer flights to Paris, Amsterdam and Brussels as well as domestic services, aviation officials said Thursday. Two airlines, Brymon Airways and Eurocity Express, were granted licenses to fly to and from Europe to the airport in the former dock area of East London. Brymon plans five flights a day to Paris and three to Amsterdam and Brussels. Eurocity will operate to Dusseldorf and Rotterdam.

Denmark has made it easier to import London taxis because their spaciousness makes them ideal for carrying handicapped persons in wheelchairs. The parliament in Copenhagen voted Thursday to lift a 20-percent registration tax on the vehicles. (Reuters)

### DOONESBURY

1<sup>re</sup> Chambre de la Cour d'Appel de PARIS, Arrêt du 5 juillet 1985  
Monsieur Jacques PALENTE, Monsieur François SIEGEL,  
la société V.S.D. assistés de Maître BLOUZ Avocat  
c/

Sa Majesté REZA II PAHLAVI assisté de Maître Henri ADER  
Cet arrêt confirme le jugement rendu le 1<sup>er</sup> Février 1984 par le Tribunal de Grande Instance de Paris.

En ce qu'il a retenu le caractère diffamatoire des imputations contenues dans l'hebdomadaire V.S.D. du 1<sup>er</sup> au 7 septembre 1983 sous le titre: "REVELATION SUR LA FUITE DE GELLI" et visant REZA II PAHLAVI, et en ce qu'il a condamné en solidum Monsieur SIEGEL, Philippe BERNERT dit Jacques PALENTE et la société V.S.D. à payer à REZA II PAHLAVI des dommages et intérêts, ainsi qu'à payer à REZA II PAHLAVI la somme de 3 000 F sur le fondement de l'article 700 du N.C.P.C.

Par le montant des dommages et intérêts à 25 000 F, condamne en solidum Monsieur SIEGEL, Philippe BERNERT dit Jacques PALENTE et la société V.S.D. à payer à REZA II PAHLAVI ladite somme.  
Les condamnés en solidum à payer à REZA II PAHLAVI 3 000 F sur le fondement de l'article 700 du N.C.P.C.

Condamne en solidum Monsieur François Siegel, Philippe Bernert dit Jacques Palente et la société V.S.D. aux dépens de Première Instance et d'appel.

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# Security Expert Asserts Soviet Eavesdropping Is Greater Than Suspected

By Michael Richardson  
*International Herald Tribune*

CANBERRA, Australia — An Australian specialist on intelligence and security matters has concluded that the Soviet Union is operating a far bigger international effort to intercept and decode military, diplomatic and commercial communications than the West suspects.

Desmond J. Ball, head of the Strategic and Defense Studies Center at the Australian National University here, said that these interests gave Moscow a wide range of vital intelligence about the West. "The Russians are using every platform they can get their hands on for eavesdropping," Mr. Ball said in a recent interview. "And there is really very little public appreciation of this problem in the West."

Professor Ball said that Soviet eavesdropping of U.S. embassies was only part of a much broader effort. U.S. officials, he said, believed that communications monitoring systems were situated in nearly 60 Soviet diplomatic missions abroad.

Important sites, he said, include the Soviet Embassy in Washington and the recreational complex for its Washington-based personnel at Pioneer Point, near Centerville, Maryland; the Soviet mission to the United Nations in New York, the Soviet residential building in Riverdale, New York, and the recreational complex for the Soviet UN delegation at Glen Cove, New York.

He said they also include the Soviet consulate in San Francisco and the Soviet Embassy and trade mission in London; Soviet embassies in Tokyo, Beijing, Ottawa, Canberra, Wellington, New Zealand, Athens, Vienna, Havana, Mexico City, Managua, Lima, Buenos Aires and Beirut.

Professor Ball, a former research fellow at Harvard University and research associate at the International Institute for Strategic Studies in London, has written numerous books and papers about defense, security and intelligence. His survey of Soviet signals intelligence systems was published recently in a 1987 U.S. handbook on electronic warfare.

In the survey, Professor Ball said that the Soviet Union probably employed about 350,000 radio intercept operators, computer processors, cryptanalysts and other personnel, a number five times larger than the U.S. electronic eavesdropping establishment. Evidence suggested, he said, that the Soviet Union maintained more than 500 ground stations for intercepting Western communications. About 300 were on Soviet territory; more than 150 in other Warsaw Pact member states and about 50 in other countries.

This was nearly double the number of signals intelligence stations operated by the United States, Britain, Canada, Australia and New Zealand.

toring of almost the whole radio spectrum, including Western satellite relays and telephone conversations transmitted on microwave networks, were a major source of commercial intelligence for Moscow.

Intercepts of military and government communications were Moscow's principal means of surveillance and early warning, he said. They also provided "the great bulk" of Soviet intelligence about Western military activities and capabilities.

However, Professor Ball said Wednesday that although the Soviet Union had built up a much larger signals intelligence gathering network than the United States and its allies, it was hard to know whether the data were as efficiently used as the smaller volume collected by the West.

"All I can say is that the Russians are getting a lot more raw material," he said. "But their processing capacity is weaker because they lag behind the West in supercomputers."

Professor Ball's survey said that outside the Warsaw Pact, the three most important Soviet signals intelligence ground stations were at Lourdes, about 60 miles (97 kilometers) south of Havana; Aden in South Yemen, and Cam Ranh Bay in Vietnam.

The 1987 edition of Soviet Military Power, released by the U.S. Defense Department on March 26, said the Soviet-manned intercept complex at Lourdes was the largest outside the Soviet Union.

The Defense Department said it enabled Moscow to monitor U.S. maritime, military and space communications as well as U.S. domestic telephone calls.

Professor Ball said Lourdes was equipped to gather telemetry from missile and satellite launches from Cape Canaveral, Florida. Satellite antennas at Lourdes were able to intercept digital imagery transmitted from U.S. photographic reconnaissance satellites, he said.

In the last few years, he added, Lourdes had also been intercepting high frequency radio traffic between the headquarters of the U.S. Central Intelligence Agency in Langley, Virginia, and CIA facilities and agents in Central America.

Professor Ball said Soviet signals intelligence sites in South Yemen provided coverage of naval and other communications in the Red Sea, the Gulf region and parts of the Indian Ocean.

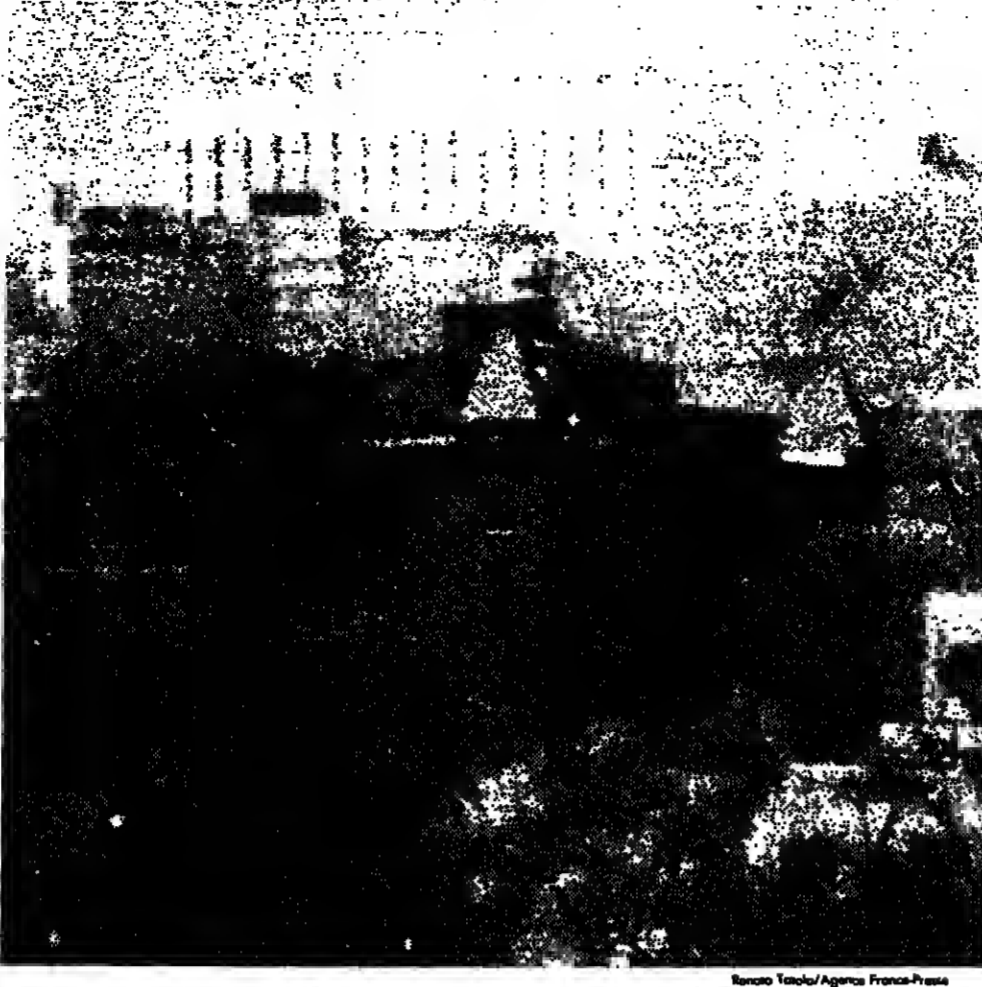
Since 1980 at the former U.S. air and naval base at Cam Ranh Bay in Vietnam, the Russians have installed two powerful high-frequency, direction-finding systems and a communications satellite terminal.

The terminal provides a direct link between Cam Ranh Bay, Moscow and the Soviet's Pacific Fleet headquarters at Vladivostok.

The U.S. Defense Department said the Cam Ranh Bay facility collected intelligence on China and U.S. naval activities in the region.

Professor Ball said the monitoring systems at Cam Ranh Bay could intercept messages from as far away as the joint U.S.-British military base on Diego Garcia atoll in the Indian Ocean. U.S. military installations on Guam island in the western Pacific, all parts of Southeast Asia and Australia.

While ground-based sites were the main source of Soviet signals intelligence, he said, Moscow had deployed a large number of ships, aircraft and satellites for intelligence gathering.



The new Soviet Embassy complex, which overlooks northwest Washington.

# Architect in U.S. Describes Bugging After Discovery in '79, Russians X-Rayed Buildings

By David B. Ortway  
*Washington Post Service*

WASHINGTON — The United States tried to implant eavesdropping devices in apartment buildings at the new Soviet Embassy complex here, prompting the Soviet Union to take measures to protect its new embassy chancery from electronic surveillance, according to John C. Warnecke Sr., who helped to design the \$65 million complex.

Listening devices lodged in the walls of the residences were discovered in 1979. The discovery led the Russians to disassemble parts of the new chancery building, inspect minutely other parts and X-ray "each inch of steel the night before it was put up the next day," he said.

"For three months after the consulate building was finished," Mr. Warnecke said in a special report on the project, "the Soviets moved scaffolding over the entire skin of the building with X-ray equipment looking for bugs."

They also refused to accept any materials fabricated outside the building site, including all precast concrete, unless it was cast on the site, he said.

The incident is a reminder amid the outcry over the new U.S. Embassy in Moscow, which is riddled with listening devices, that each side has used highly sophisticated espionage techniques to try to penetrate the other's embassies for years.

After the 1979 discovery, the acting Soviet ambassador at the time, Vladilen M. Vasev, "waved around" pictures of the eavesdropping devices when he went to the State Department in January 1980 to lodge an official protest, according to press reports then.

The Soviet government newspaper *Izvestia* asserted that the devices "amazing acoustics" would have allowed the Federal Bureau of Investigation and the Central Intelligence Agency to hear "every sound, from a word spoken in the drawing room to a whisper in the bedroom."

Mr. Warnecke said the Russians assigned 10 to 12 inspectors to examine "every piece of material" that went into the building, causing delays and considerable additional cost in the construction.

Mr. Warnecke served as associate architect for the Soviet embassy project.

He cited a number of other measures the Russians took to ensure that the embassy would not be bugged:

- They paid an additional \$180,000 to have windows and window frames taken apart, inspected and reassembled on the site.

- They insisted that marble facing be of solid two-inch (51-millimeter) thickness without any three-quarter-inch sheeting on the back because they "did not want a layer of epoxy glue between the marble that could hide a bug."

- They paid an additional \$40,000 to \$50,000 to bring in structural steel in separate phases so that every inch could be X-rayed "the night before it was put up the next day."

On paper, at least, women could command the balance of power nationally. In seven of the last 10 presidential elections, the winning candidate's margin of victory in the popular vote was smaller than 10 million.

Women gave an impressive demonstration of their pivotal political position in November when their votes, at least arithmetically, enabled the Democrats to recapture a majority in the Senate after six years of Republican domination.

In seven states where Democratic Senate candidates won — Alabama, California, Colorado, Georgia, Nevada, North Dakota and Washington — a majority of male voters supported the Republican candidate and only a heavy Democratic vote by women shifted the result, according to CBS News polls of people who had just voted.

In Louisiana and North Carolina, male voters divided evenly, and women again provided the Democratic margin for the winners.

In most of these Senate races, candidates were separated by only two to four percentage points. Where elections are close, any group casting more votes than the winner's margin over the loser can claim credit for the victory, and various political minorities often do. For some of these states, for example, the same claim could be made by blacks.

But the women's 1986 claim is not speculative. Assuming accurate polling of voters, the figures demonstrate that had only men voted,

# Women as a U.S. Political Force

## A More Visible, Key Role in 1988 Presidential Race Likely

By Warren Weaver Jr.  
*New York Times Service*

WASHINGTON — Voting by women, authorized in the United States in 1920 but recognized only within the last decade as a potent political force, appears likely to play a more visible and important role than ever before in the 1988 presidential election.

By November of next year, according to population projections, about 10 million more women than men will be eligible to vote. This potential advantage is likely to be multiplied by the fact that a higher percentage of the eligible women register and vote than do eligible men.

On paper, at least, women could command the balance of power nationally. In seven of the last 10 presidential elections, the winning candidate's margin of victory in the popular vote was smaller than 10 million.

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But the women's 1986 claim is not speculative. Assuming accurate polling of voters, the figures demonstrate that had only men voted,

the Democrats would have lost nine of their present seats and now would be occupying the short end of a 55-45 Republican Senate.

Some authorities do not agree that the Democrats are likely to profit materially from the votes of women next year. Lance Tarrance, a Republican opinion analyst, said that more conservative women did not vote as heavily in midterm elections but turned out for the presidential contest. He predicted that issues involving peace and arms control negotiations would affect the votes of women next year but did not foresee such voters being influenced by economic issues such as inflation.

Mr. Tarrance said that poll takers attempt to account for the female majority in the United States by including women as 53 percent to 54 percent of the group to be interviewed.

Census figures, however, suggest that women now make up about 56 percent of those who actually vote; their voting participation in 1984 was 1.7 percentage points higher than that of men.

For many years after women were first guaranteed the right to vote by the 19th Amendment to the U.S. Constitution, analysis made little serious effort to determine whether their voting patterns were different from men's.

Ann F. Lewis, former executive director of the Democratic National Committee, said that until about 10 years ago a woman was likely to vote the way her husband did, even if her personal views on some issues differed.

With increased economic and professional independence fostered by the women's movement, she continued, "their private values have become their public values," and differences between male and female voting appeared.

Ms. Lewis, now national director of Americans for Democratic Action, a liberal group, predicted that in 1988 women would be "the largest and potentially most important group of uncommitted voters" as well as "the largest organized subgroup" in the Democratic primaries.

# Australia High Court Blocks Deportation of U.S. Deserter

The Associated Press

CANBERRA, Australia — The High Court of Australia on Thursday blocked the deportation of a U.S. marine who deserted 16 years ago during the Vietnam War and was arrested in December in Australia.

The court, Australia's highest judicial body, ruled invalid the warrant under which Private First Class Douglas Beane was arrested. The court said he had not committed any indictable offense in Australia.

Mr. Beane, 39, was arrested by Australian naval police, at the request of U.S. officials. Attention had been drawn to him when he applied to the U.S. Embassy in Canberra for a passport to visit his father, who is ill, in Rutland, Vermont.

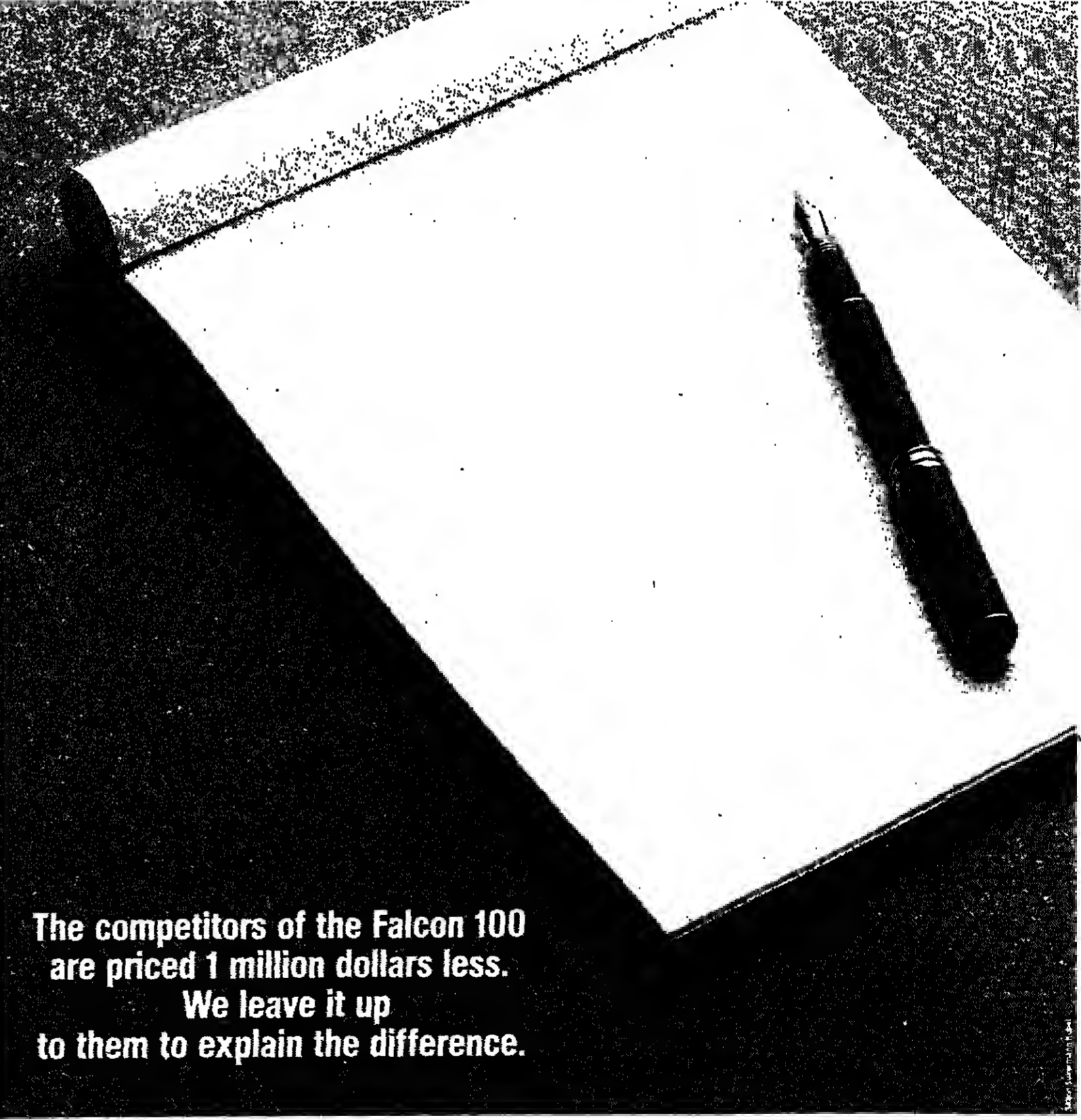
The United States had sought his extradition on charges of desertion. He was freed on \$13,000 bail pending the High Court's judgment.

[The United States has reapplied for the extradition of Mr. Beane, said Arthur Lefkowitz, a spokesman for the U.S. Embassy in Canberra, Agence France-Press reported Thursday.]

"We are going to pursue whatever we can do to get the Australian government to turn Mr. Beane over to us, to return him to the U.S.," Mr. Lefkowitz said.

Mr. Beane is married to an Australian and has two children.

Mr. Beane's lawyers argued that the Australian defense minister, Kim Beazley, had no right to order Mr. Beane's arrest under the Defense Act.



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Business takes off with Falcon



INTERNATIONAL **Herald Tribune**

Published With The New York Times and The Washington Post

An End to Their Limbo

By apt chance, Secretary of State George Shultz will arrive in Moscow next week just in time for Passover, and he plans to celebrate the Jewish feast of deliverance at a seder with Soviet Jews. What better time for Mikhail Gorbachev to amplify on hints that his government will agree, finally, to let an estimated 11,000 Jewish "refuseniks" escape limbo and leave the Soviet Union?

Pre-Gorbachev, the Soviet attitude was blunt indeed. Ethnic minorities were used as human commerce, their basic right to emigrate bartered to improve Soviet public relations. For all his *glasnost*, Mr. Gorbachev acts out of interest too. If the hinted-at releases materialize they will be for calculated advantage, perhaps to further warm his image in America. But even so they would deserve a welcome, and positive response.

The place to start is by looking afresh at that relic of the Brezhnev era, the Jackson-Vanik amendment. That legislation, overwhelmingly voted in 1974, required that most favored-nation trading benefits be allowed to Communist countries only if they permitted freer emigration of dissidents. In practice, the amendment may have helped mainly in Romania.

There surely have been ups and downs in Soviet emigration, but these correlate with Soviet-American relations generally. The first big outflow came in 1971, when 13,000 Soviet Jews departed. In the next two years the totals rose to 32,000 and 35,000, increases that coincided with the signing of the first strategic arms treaty, a major whet deal and talk of more trade. In 1974, when Jackson-Vanik was voted with the hope of increasing emigration, departures fell to 21,000. The trickle continued: 13,000 in 1975, 14,000 in 1976, 17,000 in 1977.

With the signing of another wheat deal, the outflow jumped to 29,000 in 1978 and, with the second strategic arms treaty, to a record peak of 51,000 in 1979. Then came the Soviet invasion of Afghanistan and an American wheat embargo: The exodus fell to 21,000. With Ronald Reagan's victory and a renewed arms race, annual Jewish emigration dwindled to less than 1,000.

Hence there was considerable skepticism last winter when Soviet officials claimed that new procedures would make emigration easier—and surprise when 470 visas were granted to Soviet Jews in March, the highest monthly total in six years. Then last week came vague Soviet assurances to U.S. Jewish leaders that by year's end visas would be given to most of the refuseniks, the Jews who applied years ago to leave for Israel.

These hints have to be taken with caution. They have already been officially denied. But suppose Jewish departures continue to increase, rising to, say, 2,000 a month. Recognizing that the Soviet purpose is to wring maximum benefit from messenger concessions, the relaxation should nonetheless occasion a favorable American response.

One such response would be to relax the Jackson-Vanik amendment. Whether or not it has affected Soviet behavior, relaxing it could offer a positive, approving gesture—and helpful, at the margin, in spurring Soviet exports to reduce a \$600 million trade deficit. The legislation itself permits the president to waive its penalties, given progress toward freer emigration.

The refuseniks live in a hollow limbo, untouchables who are publicly reviled and permitted only menial work. Passover would be a resonant time to let these people go.

—THE NEW YORK TIMES

Tie Down Those Cowboys

The staff of the National Security Council ran amok in the Iran-contra affair. President Reagan conceded that even before appointing the Tower commission to investigate what happened, the Tower report subsequently warned that the NSC staff, so deeply engaged in hostage ransom and Nicaraguan intrigue, must never again become "operational." In other words, it is proper for the staff to make and coordinate policy, but dangerous for it to execute it.

Yet with only a paragraph of explanation, the Tower board recommended against any law forbidding the abuse. Words like "operation" are difficult to define in practice and statute, the report said. "A legislative prohibition might prevent some future president from making a very constructive use of the NSC staff."

That proposition is not self-evident. Congress must examine it. Usually, legislating institutional solutions to problems caused by inadequate individuals is unfair. But covert operation provides a notable exception. Mr. Reagan outlawed such covert activity by the NSC staff, but the Iran-contra affair shows how easily such bans can be ignored or secretly changed.

Congress prohibited covert operations in Nicaragua by intelligence agencies. The administration violated this ban by claiming that the NSC staff was not an intelligence unit under the law, and by running the

forbidden operations through Oliver North and the national security adviser, John Poindexter. It should be easy to close this loophole for keeps. The statute might simply specify that the NSC staff is covered by laws that apply to the CIA and other agencies. Even more directly, it might say that no U.S. agency may conduct covert operations forbidden by Congress. John Tower and his colleagues sought earnestly to keep the White House machinery free of red tape. But their solution, simple trust, has already been violated by this administration. Mr. Reagan can simply countermand his new executive order with a whisper.

Properly, the Tower board opposed requiring the national security adviser to undergo Senate confirmation. A president must be allowed to assemble a trusted staff free of congressional interference. Some activities require delicate channels, as long as the secretary of state is fully apprised. More generally, the Tower board's comments notwithstanding, its members understood that there is no practical way to separate the making and the implementing of policy.

Foreign policy is hard enough without putting presidents in a straitjacket. Yet the covert activities of cowboys on the NSC must be covered by law. To avoid further legislative intrusions, presidents will have to earn their flexibility by obeying the law.

—THE NEW YORK TIMES

Progress on Acid Rain

Americans do not really like quarrels with Canada, and President Reagan had several reasons for going beyond his script in Ottawa when he talked about acid rain. One was to keep that dispute from souring all the other business between the two countries. Another was to give a hand to a fellow conservative. Prime Minister Mulroney, who has fallen low in the polls, because Canadians sometimes accuse him of accommodating the United States too easily, he had been pushing Mr. Reagan hard on acid rain. Mr. Reagan wisely chose to respond positively, promising to go beyond his previous non-commitment and at least consider a binding agreement to reduce acid rain.

The administration seems to have decided to give the subject a higher priority. There is a good deal of suspicion on this point among the people who take the Clean Air Act seriously and who cite Mr. Reagan's past record on environmental issues. But it is beginning to look as though, for the first time in six years, the administration is ready to move on acid rain.

Canada wants both countries to pledge to halve the emissions that cause acid to form in rain. That would be expensive. In terms of sulfur dioxide alone—the major component of acid rain—it would mean cutting emis-

sions by more than 13 million tons a year. Last year the Congressional Budget Office published a study showing that reducing sulfur dioxide emissions by 8 million tons would cost about \$2 billion a year. Going up to a 10-million-ton cutback would cost \$3.2 billion to \$4.7 billion a year. The cost per ton goes up sharply as the reduction increases and, because most sulfur dioxide comes from power plants, that cost is added to the price of electricity. The impact on electric bills would vary from one state to another, and in some it would be substantial. Congress will have to decide how much to spend, and at what point dollars for environmental protection might be spent better on other threats.

The sensible way to proceed is one step at a time. That means setting an intermediate target, measuring the result, and then deciding whether to take another step. That is a less dramatic leap than the Canadians urge. But it promises real progress, and it tells Canadians that their protests are not being ignored in Washington. It was a tranquil visit to Ottawa, but it may turn out to have been the occasion for a useful change in Mr. Reagan's attitude toward air pollution—not after, just a Canadian concern.

—THE WASHINGTON POST

Other Comment

**AIDS: Some Heartening News**

Almost lost in the debate over what, if anything, should be taught about AIDS in the schools was the good news about an American-French accord on AIDS research. A nasty spat over who should receive credit and patents for research had severely hindered vital international cooperation.

The accord ends a lawsuit between French and U.S. researchers; it calls for sharing the patent on blood tests and for contributing 80

percent of the royalties to an international research foundation. The announcement by President Reagan and Prime Minister Jacques Chirac elevates the quest for answers to the highest levels of government.

It also marked a welcome entry by the president into the national discussion of AIDS. If a rational consensus about AIDS education and research is to be reached, the country's leaders must help overcome public fears and misconceptions about the disease.

—The Miami Herald.

Too Much Talk About Free Trade And Not Enough Hard Thinking

By Gregory Clark

TOKYO—The current American and West European outrage over Japan's trade policies, or the policies of Taiwan and South Korea for that matter, is totally understandable. These Asian countries use exports as a blunt instrument for economic expansion. They protect their own markets while invading those of others. They exploit the commitment others to free trade. They are often devious and duplicitous in the process.

But isn't the West mainly responsible for this mess, by its naive insistence on the dogma of free trade? Free trade is only meaningful between nations with the same level and rate of growth. Between rich and poor nations it simply serves to freeze the status quo.

The moment nations like Japan, Taiwan and South Korea decide they want to catch up with and even overtake the rest of the world, free trade becomes meaningless. The dynamics of increasing returns to scale mean they have no choice but to go invade other people's markets while they protect their own. If they do not, they will be tied forever to inferior status.

This, after all, is how the Western economies got their early start a century or so ago. They backward nations and were branded imperialists as a result. Today some of those once-backward nations rely on various devices to capture markets in the West. Reverse imperialism!

There is another reason why free trade is meaningless and it is called exchange rates. Only four years ago the U.S. dollar traded for around 260 yen. Today it is 145 yen. If the present rate is the correct one, then four years ago all U.S. exports to Japan were being taxed at the rate of 75 percent subsidy. Was that free trade?

Even at 145 to the dollar, the yen is still undervalued, thanks to the huge outflow of capital from Japan to the United States. So the United States is still taxing its exports to Japan and subsidizing imports from Japan. Many of the newly industrialized countries, especially South Korea, have been even more ruthless in using exchange rates to promote exports.

If the weapon of imperialism was the gunboat, the weapon of reverse imperialism is the undervalued currency.

Given all this, the Western economies should have decided long ago where they were going and how they were going to get there. More have hoped optimistically that the principles of free trade would begin to work once Japan and the newly industrialized Asian nations began to approach Western levels of development.

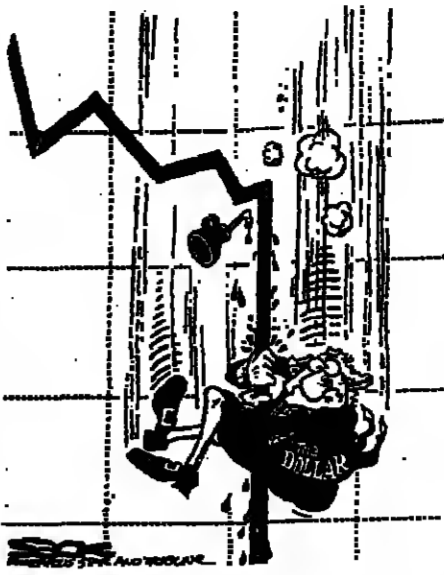
But that ignores the much stronger industrial dynamic found in these nations. The fact is that there is not a single area of advanced technology in which Japan could not outproduce the West, once it made up its mind to do so. Free trade fully applied would leave the West without any advanced manufacturing. It would be an exporter of exotic services and knickknacks to Japan, and to the rest of the world.

In this situation the West has only two choices. One is to put much greater pressure on the currency of the "reverse imperialists," to ensure that exchange rates do at least give the more efficient Western exporters a chance. In Japan's case, a rate of 120 yen to the dollar is probably needed to give true export-industry parity.

The West must also make a hard decision whether it seriously wants to retain a manufacturing sector. If it does, as it should, then it should begin immediately to select the industries it wants to retain and the policies needed to retain them. If this requires some protection then so be it. Selective tariffs, quotas and subsidies to assist chosen industries beats the across-the-board taxes and subsidies imposed by arbitrarily fluctuating exchange rates any day.

But will this not allow domestic producers to become lazy? Not if domestic markets are large enough to allow governments to force competition between domestic producers, as in the case in the United States and the European Community.

True, even if domestic producers do their best it is unlikely they could match the productivity of the Japanese, and even the Koreans or Taiwanese in some products. But all that means is that



the West accepts, knowingly, that in manufacturing goods its economies are going to be, say, 10 to 20 percent less effective than its rivals.

But economies do not live by manufacturing alone. A much larger component is services, where the West is still much more efficient than Japan. Add the food sector, where Japanese inefficiency is notorious, and there is no reason why Western living standards need fall behind Japan.

In the name of free trade, however, many of the Western economies are letting their manufacturing sector fall apart. They are losing the fine network of skills, machine tool industries, repair shops and so forth that make up the all-important industrial base. They are deindustrializing, in the very worst sense of that word.

Instead of ending up only 10 or 20 percent behind their rivals, they face the prospect of being 100 percent behind. They will be saddled, as well, with massive unemployment, and all because of their slavish adherence to an economic dogma that never had much relevance to the real world, and certainly not to the highly dynamic world of Asian industrialization.

A century or so ago the Western greed for overseas markets blocked the industrialization of others, fatally in some cases. Today the West looks on passively as it loses its own industrial base. Marx and Lenin would be dumbfounded.

International Herald Tribune.

Patching Up The 'Hole' In the Sky

By Michael Oppenheimer and Daniel Dudek

NEW YORK—Strange events in Antarctica, straight out of science fiction, have grabbed the attention of scientists and world leaders. The stratosphere's ozone layer, which screens living things from damaging ultraviolet rays, has been thinning dramatically during the southern spring—the beginning of what some scientists suspect is a worldwide decay of the Earth's ozone covering.

Against the haze of scientific uncertainty that surrounds this seasonal "hole" in the atmosphere, one question stands out clearly: Can governments take coordinated action to protect the stratosphere and avert the risk to life on Earth?

Ozone, a special form of oxygen, reaches high concentrations 12 miles (19 kilometers) above the Earth, where it long had appeared immune from human intervention. But the emission of industrial chemicals, particularly so-called chlorofluorocarbons, was identified as a threat to ozone in the early 1970s. Chlorofluorocarbons stay intact until they drift into the stratosphere, where they disintegrate. Their fragments destroy ozone, and less ozone means more ultraviolet radiation reaching Earth.

The consequences of even modest increases of ultraviolet rays are disturbing. Such radiation causes both malignant and nonmalignant skin cancer. Continuation of the existing global emission levels of chlorofluorocarbons could result in an additional 1.4 million cases of skin cancer in less than 40 years in the United States alone. By the year 2075, 40 million Americans would be affected, and fatalities could exceed 800,000, according to a study by the Environmental Protection Agency. These figures, of course, represent only a small portion of the number of people who would be affected around the world.

Another impairment, damage to the immune system and increased air pollution, are all triggered by increased ultraviolet radiation. In addition, millions of dollars of damage to crops, forests and building materials would be inflicted yearly.

Even a partial catalogue of these horrors was sufficient to spur Congress to ban chlorofluorocarbons in aerosol spray cans in 1978. That caused a temporary decline in emissions. Most European countries, by contrast, acted only to prevent construction of new plants that produce this chemical—a move, resulting in no appreciable emission reduction.

Still, the use of this chemical in refrigeration, automobile air-conditioning, foam plastics and solvents is on the rise in America and abroad, and emissions are again at record amounts and are climbing.

The new findings from Antarctica suggest that these emissions are causing ozone depletion faster than previously thought possible. Other observations suggest that ozone loss is occurring in the Northern Hemisphere as well. If these hypotheses are borne out by further research, the old projections of harm, as bad as they were, would pale in comparison to the new picture. This is one risk that is definitely not worth taking.

Fortunately, a remedy is at hand. A bite of foam-packed fast food need not mean a chunk out of the ozone layer. Harmless substitute materials for many uses of chlorofluorocarbons already exist. Where a substitute cannot be found, we can largely capture and recycle the harmful gases.

Industry officials have indicated that adequate substitutes could be available within five years. Severely limiting the supply of chlorofluorocarbons would provide an incentive to develop alternatives. The EPA, which soon plans to issue strict guidelines for limiting the use of chlorofluorocarbons, should hold the industry to a five-year schedule for near-total elimination of emissions. The United States could set the pace for all countries to develop alternatives.

The ozone layer cannot be saved without international cooperation. About two dozen countries have been discussing limitations of chlorofluorocarbons in a desultory fashion since 1980, but recent reports from Antarctica seem to have shaken most of them from general indifference to the problem. The European Community should now force America in phasing out emissions of chlorofluorocarbons over five years. Gradual ozone loss has been sufficient reason to act. The forbidding ozone hole over Antarctica adds a note of urgency.

Michael Oppenheimer is senior scientist, and Daniel Dudek is senior economist, at the Environmental Defense Fund in New York. They contributed this to The New York Times.

Gorbachev Should Let History out of the Storeroom

By William Pfaff

MOSCOW—"In Russia, history forms part of the domain of the crown; it is the moral property of the prince, just as the people and the land are his material property; it is kept in the storeroom along with the imperial treasures and only that part of it which the ruler wishes to make known is displayed. The memory of what happened yesterday is the property of the Czar; he alters the annals of the country according to his own good pleasure and dispenses, each day, to his people the historic truths which accord with the fiction of the moment... Yet, this exorbitant power is hurting itself; Russia will not submit to it forever."

The writer is not speaking of the time of Stalin, that latter-day czar, or of it Orwell writing about the rewriting of history and the Memory Hole. It is the Marquis de Custine, a French traveler and journalist, writing about the Russia of 1839. He describes the central reality of what is going on in the Soviet Union today under Mikhail Gorbachev.

*Glasnost*—"openness," or "honest-

ness"—ultimately implies telling the truth about what really has happened to the Soviet Union under 70 years of Communist Party rule. For people do not forget. A mass murder during the Civil War or the agricultural collectivizations may have no documented existence, and no one may have an open spoken of it for more than a generation, but a peasant will nonetheless show you the grave.

Sons know that fathers know. People here say that one result of Mr. Gorbachev's campaign is that fathers for the first time are speaking to their sons of certain things. Mr. Gorbachev is not acting to please the liberal-minded. The past, the Russian past, belongs to conservatives and nationalists as much as to liberals. Mr. Gorbachev chiefly needs the support of the new administrative and scientific intelligentsia that has grown up from the wasteland ground of Stalinism, purge and war.

He needs the people who have worked abroad and recognize the

scale of the country's contemporary failure. Such people understand that Mr. Gorbachev offers Soviet Russia the country's one real chance to become that success which decades of lies have said that it already is.

He must have the younger elites. As for ordinary people, he cannot risk either a lowered standard of living or a threat to the egalitarian, communist assumptions that serve, in Soviet society, to compensate for its discontents and material disadvantages. A figure in the governing elite remarks that it is essential for Mr. Gorbachev that living standards tangibly improve in the next three or four years—not nothing dramatic, simply more oranges and fresh vegetables on sale in Moscow and Leningrad in winter, a slightly shorter wait for a refrigerator or a washing machine.

There is concern that while one may admit, in the name of "openness," that concealed unemployment exists in the Soviet economy, it is something else to begin to get rid of unnecessary or unproductive people. One can encourage individual or "co-operative" enterprises—restaurants, private taxis, workshops, private services of one kind or another—but what if these people start making more than other people, and conspicuously display what they have?

Thus the hesitations evident today. Long-suppressed books are published, but they are hard to find in bookshops. Joint ventures with foreign companies are sought, but Western embassies still cannot find out what the rules are. A chauffeur who wants to set up a private taxi operation still cannot track down what he is supposed to do, how he will be taxed, what papers he needs.

The comparison is made between what is happening today and Russia's 19th century, when a liberal intelligentsia demanded emancipation for the serfs, an end to censorship, a more representative government. That made a difference, of course. The serfs were eventually freed; a form of parliament was eventually established. But, overall, reform was not a success. The reforming czars, Alexander I and II, started off well and then became frightened and turned the country back to reaction and isolation. Reform never was quite enough to keep up with the need for it. Thus Russia was the place where nihilistic terrorism and violent anarchism emerged—reactions to political impasse.

A senior Western diplomat with long experience in the country argues that what really is happening is that an old nation, in which very little changed for the masses of people for a very long time, now is trying to connect what it knows about its past with what is now becoming. So much has happened, so much of it terrible, that suppressed truth about the past has become an obstacle to making the nation work. People require serious answers to basic questions of political life and national purpose. Lies will no longer do. There have been little but lies in the U.S.S.R. for 70 years, and everybody knows it. Even the lies have been a failure.

In the West, the Gorbachev reforms are usually described as some kind of effort to democratize and thus Westernize the Soviet Union. They are not that. They are an attempt to reinstate the governing elite of the Soviet Union and the Soviet people on terms that re-establish confidence between them. The enterprise is extremely risky and may end in failure, as have Russian reforms in the past. It may produce a reactionary result—a new turning inward. But if that happens, it will mean the end of any ambition for the Soviet Union to become a truly modern nation, of international relevance. Once again Russia will have failed to master its own perversion, its self-destructiveness; and all the suffering will again have gone for nothing.

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Cyprus: No Rush to Break the Stalemate

By Amy E. Schwartz

LEFKOSA (NICOSIA), Northern Cyprus—When Rauli Denkash of the Turkish Republic of Northern Cyprus starts telling his country's story to a foreign visitor, it is hard not to notice that he has been over the ground a few times before. He admits it readily. Actually running Northern Cyprus, population 550,000, takes little time; the real job of the president is to talk, and mostly to people whose knowledge of this story's "Turkish side" starts at zero. "Sometimes," says Mr. Denkash, "I wish my staff could just make me a nice videotape."

The Turks have come late and

ish housing along the border to a ring of gleaming white skyscrapers on the "other side." Since the north declared itself the Turkish Republic of Northern Cyprus, an independent state, in 1983, only Turkey has recognized it. The most recent of a series of proposed United Nations settlements for reunification is still deadlocked. Paradoxically, it is in this deadlock that the Turkish side is subtly making its greatest progress.

Perhaps the only observation that

The solution envisioned by the UN and accepted by the Turks would preserve the "bi-zonality" of Cyprus by keeping some travel restrictions and giving each side autonomy over its own people, while adding a layer of Greek-Turkish government on top. The obvious question is why, if this is all the unification the Turks in Cyprus want, they even spend so much effort on attaining it instead of simply cutting their losses and pressing for international recognition.

In a sense, this is exactly what they are doing. When one asks, the official reply is that no, no, it is too unlikely a goal, and anyway the Turks want a solution, not a divided island. But in less guarded moments it is clear that this is a perfectly good backup goal.

It becomes even clearer when less partisan observers begin to describe the benefits of the stalemate so far.

For years, the emigrants from the Greek part of the island "were sort of rootless and stranded," said Jan Crowley, a Cornish businessman who retired to Kyrenia. "They'd squat in the Greek houses, not even mend the roof. Now, just in the last few years, you hear them saying, 'This is my home, and next year I'm going to plant 10 olive trees.'"

Not that Northern Cyprus is becoming a paradise. The desire to modernize and spur the economy, coupled with a lack of any but Turkish help and expertise, is bringing a proliferation of clumsy highway projects and the ugly yellow high-rises common to provincial Turkish cities.

But time and accommodation to obstacles are softening the edges. Turkish Cyprus is a haven for faked and pirated products, from imitation Levis to videocassettes. These cottage industries also benefit from a recent increase in tourism: Foreigners cannot buy former Greek Cypriot property under terms of the UN process, but they can contract to renovate the properties in return for a 15- or 20-year lease at nominal rent.

They travel to and from Western Europe on the growing number of airlines that circumvent prohibitions on direct air links to the unrecognized country by "connecting" to a flight from Turkey—usually by touching down briefly at a Turkish airport.

Mr. Denkash agrees that the north has gotten used to separation. He insists that "we are not calling for recognition of the north" from other countries, yet predicts that "it will come eventually anyway, because in the middle of Europe there cannot be a stateless, unrepresented people."

The writer is a member of the Washington Post editorial page staff.

rather clumsily to the world propaganda game. Many people know simply that Cyprus was attacked and partly occupied by Turkey in 1974. 14 years after the British handed it over to a joint government designed to balance the rights of the four-fifths Greek majority and the Turkish minority. They may not recall that the 1974 invasion came after a coup by Greek Cypriot extremists had toppled the coalition government, ousting the Greek Cypriot president, Archbishop Makarios, in favor of a party that wanted union with Greece and seemed little disposed to respect the "Ottoman remnant."

The Turks say they acted in their capacity as co-guarantor of the 1960 constitution by intervening to protect ethnic Turks and that they did so only after the other two guarantor powers, Britain and Greece, refused their entreaties for help. They say they feared a full-scale massacre of Turks.

The question of which side committed atrocities, or more atrocities, in a long struggle is, of course, not likely to be settled to anyone's satisfaction in the court of world opinion.

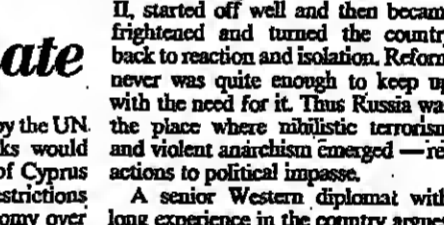
The economy of Northern Cyprus, in any case, has been slow to recover from the depression induced by the split. From high points in Nicosia, the divided capital, one can look past the tumbledown, bombed-out Turk-

both sides would call shruggingly obvious is that the Turks, who have said yes to the current UN document, need an agreement more than the Greeks and that the Greeks are stalling for their calls for an international conference. Mr. Denkash's government holds, by virtue of its promised signature, the post of a humble supplicant slowly working its way into the world community. "We are not a breakaway state," he says. "That must be understood."

In some ways the present stalemate helps him. Even if the Greeks accept the UN document, it will not change the aspect of the situation most valuable to the Turks: the restriction of travel. The government fears a flood of resettled Greek Cypriots pouring back across the borderline to reclaim property—leading, perhaps, to another war.

"We lost 500 civilians the last time," says Mr. Denkash. "We are a small community and cannot afford another adventure." A huge range of resettled Turkish Cypriots, asked about life before 1974, tell of persecution and restricted movement.

The smallness of the island adds another danger. Everyone who lost a family member or a home in the war—on either side—can still recall names and faces. "For us," says a government official, "it is still a matter of knowing who raped your sister."



Drawing by VALERY.

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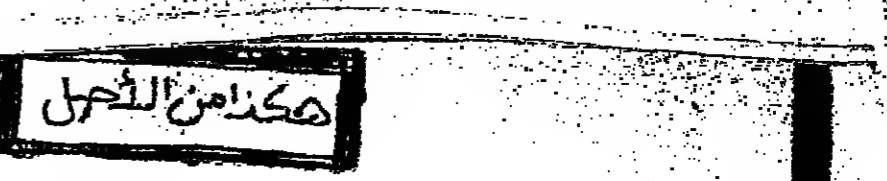
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OPINION

Raoul Wallenberg: Perhaps Now the Russians Will Tell

By A.M. Rosenthal

NEW YORK — For 42 years the mystery of the fate of one soaring man has haunted men and women all over the world...

ON MY MIND

to admit that they had imprisoned him, and then they said that he had died in jail. And though Mr. Wallenberg was seen in Soviet jails from Moscow to Siberia years and possibly decades later...

Why bring this all up now? Quite possibly he is dead; nobody has reported seeing him for eight or nine years at least. What does it matter in which year he died and in which cell?

One reason is respect. He never has left the minds of millions. People pay respect in their own ways to this lanky young Swede who went to German-occupied Budapest in 1944 to save Jewish lives and died, because he refused to understand that he could not.

Mr. Wallenberg was of a great Swedish family. He was not quite 32 when he was asked by U.S. representatives in Stockholm to try to save the lives of some of the Jews of Hungary...

It is difficult to comprehend what this one man did. He distributed thousands of Swedish passports, bused and fed Jews in buildings he bedecked with Swedish flags. He threatened, bluffed, bribed, negotiated...

He marched up to the very death lines, snatched Jews from under the clubs of guards. He faced down the killers, including Adolf Eichmann, the engineer of death.

"Ich bin Wallenberg," he declared, gently to Jews, fiercely to German and Hungarian Nazis. Mr. Wallenberg saved thousands upon thousands. There was suddenly in this young Swede a power of compassion that produced a strength beyond himself or understanding.

In January 1945, Mr. Wallenberg crossed over to the victorious Red Army to get help. A Soviet general immediately sent a dispatch informing Moscow.

Mr. Wallenberg disappeared. Two years later the Russians said that he had never been in the Soviet Union. But in 1957, faced with world pressure for Mr. Wallenberg, the Kremlin said yes, he had been in Soviet jails but died 10 years earlier and the doctors and wardens involved were dead too and the body cremated.

The Russians so far have refused to budge in the face of documented evidence that Mr. Wallenberg was seen in prisons of the vast Gulag for years. Some place the last sighting in the late '50s, others say he was alive in the late '70s. Kati Marton, the journalist and novelist, tells the story best in "Wallenberg," published by Random House.

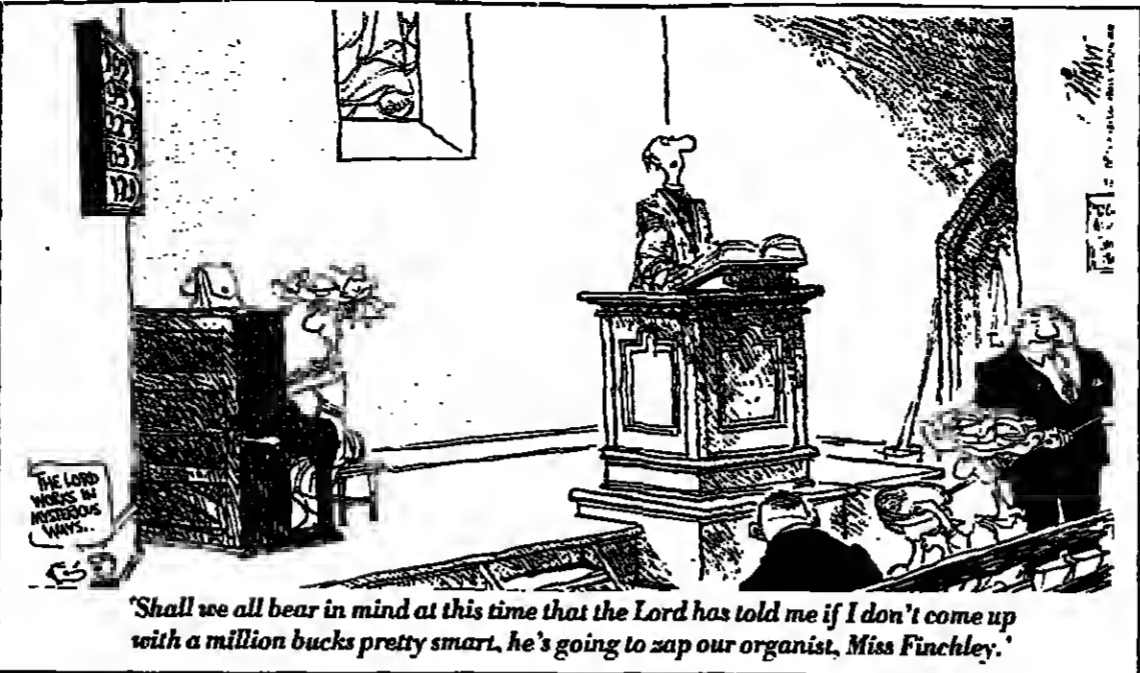
The quest goes on. Swedish officials keep bringing it up with Soviet leaders; nothing. Representative Tom Lantos, Democrat of California, whose wife was a child in Budapest and owes her life to Mr. Wallenberg, has collected 110 House signatures for an appeal to Mr. Gorbachev. Year-round, committees meet.

Why did the Russians keep him? At first perhaps they thought that he was a U.S. agent, then that he would be useful as a hostage. Then his very existence became an embarrassment to the Soviet Union, something to be hidden.

In the Kremlin, there is a living link to Mr. Wallenberg, Andrei Gromyko, a deputy foreign minister, signed that note in 1957 saying that Mr. Wallenberg was dead, but he carefully chose words that implied that the finding could be changed. Mr. Gromyko now is president of the Soviet Union. He knows.

And Mr. Gorbachev knows and can tell the world whether Mr. Wallenberg still lives. And if Mr. Wallenberg does not, Mr. Gorbachev can say in what manner, year and cell the Swede of the Jews died. It is important for all people to know, particularly Russians.

The New York Times.



LETTERS TO THE EDITOR

Aegean: A History of Problems, but Not Answers

Regarding the two reports by Alan Cowell, "Greece-Turkey Dispute Over the Aegean Seas" and "Behind the Greece-Turkey Dispute, a Failure to Communicate" (March 30):

United Nations Security Council Resolution 395 asked Turkey and Greece in 1976 to refrain from actions that would increase tensions in the Aegean and to enter into direct negotiations over the Aegean dispute in order to arrive at mutually agreeable solutions.

The International Court of Justice at The Hague, in its order of Sept. 11, 1978, defined the Aegean continental shelf beyond the territorial waters of Turkey and Greece as "areas of dispute" to which both Turkey and Greece claimed rights of exploration and exploitation.

Therefore, the recent crisis in the Aegean is the outcome of a series of Greek actions undertaken over the past two years. Ignoring these facts, the reports misrepresented the causes of the tension.

FAIK MELEK, Ambassador of Turkey, Paris.

equipped, well-trained Turkish Army is more than three times bigger than Greece's. These words disturb me. They imply the predominance of numbers and military strength over the rule of law.

ATHANASIOS PETROPOULOS, Geneva.

Admittedly, Mr. Papandreu has created a multitude of problems for his NATO allies and in so doing has involved our nation in dangerous brinkmanship. Without any doubt, he has used our country's foreign policy to promote domestic political goals.

The United States and NATO, which clearly disapproved the prime minister's aims, have no other effective way of neutralizing Mr. Papandreu than by pressuring Turkey to show flexibility on the demarcation of the Aegean continental shelf, and on the creation of a federal state in Cyprus that will be strong enough to avoid being absorbed by Turkey, something our eastern neighbor clearly has in mind.

This is not giving in to blackmail. It is common sense and willingness to act. A festering dispute inevitably produces an explosive situation. One need only think how much better the chances for a settlement of the Palestinian problem would have been in the years immediately after 1948 and up to the mid-1960s if only the international community had looked seriously and decisively into that matter.

S.P. MAVRIKIS, Athens.

Where were NATO and our allies when the Turks invaded Cyprus, capturing half of the island in 1974, and where have they been for the last 13 years while the Turks have continued to hold it?

TOLIS PAPPAS, Thessaloniki, Greece.

Four Decades Battling Hitler And Still No Peace of Mind

By Laurence Goldstein

ANN ARBOR, Michigan — In a recent book of poems about the Holocaust, William Heyen recalls that his German parents took him to the Volkstheater on Long Island every summer just after World War II. He remembers his delight at the stands of smoked eel and loaves of dark bread, and the nostalgic

MEANWHILE talk about the North Sea, the Rhine, the Black Forest. He also remembers that

all those years there was one word I never heard, one name never mentioned.

The name of course was Adolf Hitler. My experience was the opposite. As a Jewish child growing up in Los Angeles, I, too, went to family and ethnic picnics after the war, but there the name, the word, was more than mentioned; it served as a common obscenity, a mysterious fragment of ongoing lamentations over the Jewish condition. To any mention of war, the response was simple: "The Germans are monsters, devils."

The history lessons of my childhood were so thoroughly steeped in the language of folklore that no explanation since history's dynamics as a political science has seemed credible. What form could my education take, then, but a gradual coming to terms with those monsters in my imagination? I gravitated toward literature as a discipline that could help to account for the mythic presences of my childhood, Hitler above all.

Mine has been the generation charged with the responsibility of understanding Hitler, and God knows we have tried. On the one hand is the argument that if we imagine the Nazis as not human, as devils, then we are guilty of their worst crime: the denial of humanity to the Jews. The first writers on Nazism insisted, in the words of the psychoanalyst Erik Erikson, that "it is our task to recognize that the black miracle of Nazism was only the German version ... of a universal contemporary potential."

The humanizing of Hitler has led to what Saul Friedlander calls a new discourse about Nazism, characterized by "the more and more frequent display of a Hitler who is Everyman."

It may comfort us temporarily to cut Hitler down to size. We may find ourselves poking fun, as Charlie Chaplin and Mel Brooks have done, at his goofy gestures and delusions of grandeur; nevertheless, tens of millions died in his commands. As Alvin Rosenfeld has argued in his book, "Imagining Hitler," writers and filmmakers have consistently distorted the personality of Hitler to produce a more attractive figure.

At the same time, the merchandising of Nazi mementos and imagery has be-

come a flourishing business worldwide. All of this has contributed to a renewed cult of the charismatic Führer, one with dangerous implications. Resurgent anti-Semitism and hostility to the state of Israel are the most obvious effects of the indulgence in what Susan Sontag sarcastically calls "fascinating fascism."

Unfortunately, the question "How shall we understand Hitler?" cannot easily be separated from another question, "How shall we use Hitler?"

On the political right, there has been a deliberate use of World War II and the Holocaust to frighten the public into support for militant anti-Soviet policy. On the assumption that Hitlerism is now and forever something foreign, usually Russo-European, scenes of totalitarian persecution, invading shock troops, mass imprisonment and mass executions are featured continually in some elite journals of opinion and the popular media as prophecies of the likely effects of détente.

A different use is suggested by Austerlitz's comment after being asked where she began her work of relief and care for abandoned children: "On the day I discovered I had a Hitler inside me."

New uses for Hitler arise with every turn of history's pages. Swung one way and another by last year's events — President Ronald Reagan's visit to Bitburg, the election of Kurt Waldheim as president of Austria, the Soviet imprisonment and release of dissidents, the flux of good and bad news from the Middle East — I return to the subject of Hitler with increasing confusion. Is there a Führer at large in the world today? Or not? Or a multitude? This evil figure has so saturated the outlook of Jews like myself that his words and deeds seem to show up everywhere. Such is the ironic fulfillment of my quest to demythologize those "monsters" and "devils" that haunted my elders.

In his book of dramatic monologues, "The Führer Bunker," W.D. Snodgrass gave Hitler a final satisfied speech as he chewed his poison capsule:

I pick my time, my place ... and once more I am winning, winning, winning ...

Once I would have understood this speech of triumph as pure madness. But I see better now what the poet means. The historical Adolf Hitler died in the bunker, but like a vampire he rises again and again to take his revenge. Every day since April 30, 1945, we have struggled with the memory of this man, and with his potent assault on our humanity.

The writer is a professor of English at the University of Michigan, where he edits the Michigan Quarterly Review. He contributed this to the Los Angeles Times.

GENERAL NEWS

Turkey Breaks Silence on Kurdish Rebels

By Jonathan C. Randal, Washington Post Service

ANKARA — When Turkey's military chief of staff spoke last month to a Turkish magazine about this country's long-running Kurdish insurgency, he suddenly opened for public discussion an issue that has been taboo for more than 60 years.

General Necdet Ugrug broke an official silence on the insurgency in a 13-page cover story in the weekly Yeni Gundem that discussed the militant ethnic Kurds, who have been fighting for political autonomy in southeastern Turkey. The magazine was eventually banned in Istanbul, but not before most of its 15,000 copies had been snapped up from newsstands.

The interviews with General Ugrug and other top officials appeared to reflect new confidence by Turkey's once-censored press in dealing with delicate issues. It also seemed to indicate a growing belief in parts of the Turkish establishment that public discussion of the Kurdish issue runs little risk of weakening the government's general. Nevzat Bealugany, criticized decades of government efforts to play down the Kurdish problem, saying that "keeping the subject secret is of no use whatsoever."

General Ugrug compared the latest in a century of Kurdish insurgencies to France's problem with Corsican nationalists, Spain's with the Basques and Britain's with the Irish Republican Army. He concluded: "It's an illusion to think we're going to get rid of this problem overnight."



The government has long tried to deny even the existence of the Kurds, who are thought to comprise 20 percent of Turkey's 51 million people. Only weeks before the magazine article, Ibrahim Tatlis, a pop singer, was indicted for singing songs in Kurdish at a concert. Last year, census takers were prosecuted for following instructions and listing Kurdish among the languages that Turks were asked if they spoke.

As the article emphasized, the insurgents remain active. The Kurdish Workers' Party, with headquarters in neighboring Syria, has been fighting the Turkish government since August 1984 by ambushing Turkish soldiers and isolated guard posts. Recently, however, it appears to have escalated attacks on civilians.

Turkish warplanes have attacked the party's camps over the border

in northern Iraq, most recently on March 4 in reprisal for the killings of 14 villagers in Hakkari Province, which borders Iraq and Iran. The Kurdish Workers' Party struck back, killing nine children and an adult in raids against Turkish villages near the Syrian border.

So far this year, 42 civilians have been killed by Workers' Party gunmen. Many of the victims have either been villagers armed and paid by the government to fend off the rebels, or the villagers' relatives. The civilians are caught between the Workers' Party and the government, which often accuses them of harboring "traitors" at night when the Turkish Army withdraws to its barracks.

The Workers' Party's new tactics reflect its failure to fight its way out of the mountains along the border and renew its longtime hold on towns and cities, according to military analysts. In the years before Turkey's armed forces seized power in September 1980, the Kurds and other parties controlled large areas of Diyarbakir, a provincial capital north of Syria regarded as the unofficial capital of Turkish Kurdistan. They declared "people's free zones" in southeastern Turkey in which they controlled and taxed traffic and held substantial political control.

After the military's takeover, however, mass arrests and trials of Kurdish militants forced the party to start from scratch. Even though they do not fear real military gains by the Kurds, senior Turkish Army officers worry at their inability to stamp out the insurgency, experts said.

"They're proud of their high standing with the public and worry lest the insurgency destroy the public perception of the military's invincibility," a Western diplomat remarked. "Their nightmare is that a future left-wing government might be soft on the Kurds and sow the seeds of a replay of the terrorism of the '70s."

The expanding Persian Gulf war, involving the Kurds of northern Iraq and Iran, has prompted speculation that Turkey might claim Iraq's oil-producing Mosul Province if the government of President Saddam Hussein collapses in Baghdad. Britain annexed the province in Iraq's name after World War I.

But the Turkish military is in no mood for such an adventure, according to Western diplomats. Turkey has a vulnerable frontier with the Soviet Union, a seemingly perpetual quarrel with Greece and a controversial occupation force on Cyprus. One analyst said "the betting is that only a major Iranian military presence along the border or a quasi-independent Kurdish state in the area would prompt Turkey to intervene in northern Iraq."

Kendal Nezam, a Turkish Kurd who runs the Kurdish Institute in Paris, argued in the Yeni Gundem article that caution should dictate that Turkey grant its Kurds some basic democratic rights. Noting Turkey's desire to become a full member of the European Community, he wrote that such hopes will prove "impossible unless Turkey has the courage to grow up and recognize human rights and freedoms" for the Kurds.

Maxine Sullivan, Jazz Singer, Dies

United Press International NEW YORK — Maxine Sullivan, 75, a jazz singer whose career began in the swing era of the 1930s, died Tuesday of cancer.

Miss Sullivan had appeared at singing engagements up to three weeks ago. The diminutive performer, whose swinging version of "Loch Lomond" became a jazz standard, had been a child prodigy. She was born in Homestead, Pennsylvania. She retired in 1957 but resumed her career 10 years later.

Her songs included "I Thought About You," "Wrap Your Troubles in Dreams," "You're a Lucky Guy," "Between the Devil and the Deep Blue Sea" and "I've Got the World on a String."

Kevin McNamara, 60, Archbishop of Dublin DUBLIN (AP) — Archbishop Kevin McNamara, 60, the Roman Catholic archbishop of Dublin, died of cancer Wednesday in Dublin.

Archbishop McNamara was regarded as one of the most conservative leaders of the Irish church, strongly supporting the state's opposition to divorce, family planning and abortion.

Other deaths: Anni Spierling, 87, a European opera star of the 1920s under the name Anni Friedl, after a brief illness in a suburb of New Orleans. She was a leading soprano in operas in Munich, Dresden and Berlin. She also appeared in light opera, performing the role of Adele in Max Reinhardt's production of "Die Fledermaus" about 200 times. Felicia Formalska, 93, who took part in the Russian Revolution and was a member of the Polish Communist Party's Central Committee until last year, on Sunday in Warsaw. She was a nurse in Bolshevik units during the Revolution and later joined the Red Army.



Maxine Sullivan was still singing for audiences at 75.

EUROPEAN TOPICS

Private TV Stations Proposed by Spain

The Spanish government has approved a bill that would authorize private television stations and put an end to the state's monopoly. It calls for the creation of three national private channels in addition to the two existing state-controlled national channels and regional channels. The main media companies, which are the leading candidates to acquire private television networks, and opposition politicians have criticized the bill as being too restrictive. A parliamentary debate is expected this fall.

The bill contains several measures to prevent the concentration of capital in private stations. No single company or person would be allowed to control a stake exceeding 25 percent of a channel, and the participation of communications chains would be limited to 15 percent. There would be a 10-year, renewable limit on the concession for each channel.

The measure would require 40 percent of production and programming to be in Spanish, of which 10 percent must be the channel's own production, and 50 percent of the films shown must originate within the European Community.

Culture Minister Javier Solana Madariaga said the bill was designed to encourage "informative pluralism in our country," but the media companies objected to the limited number of stations and the restrictions on participation. The Madrid daily El Pais, in an editorial, said it showed the government did not see "freedom of expression as a right of the citizen but as gift from the rulers."

Environmentalists Join Ex-Foes in U.K.

A well-known British environmentalist activist has joined a toxic waste disposal company that he rigorously opposed in the past. Graham Searle, a founding director of Friends of the Earth, has become an environment consultant to Rechem, a company that runs two toxic waste incineration plants. Part of the agreement was that information about company operations would be made available to environmentalist groups. Mr. Searle also is to work with



ROYAL VISIT TO AIDS WARD — Diana, princess of Wales, visiting an AIDS ward Thursday at Middlesex Hospital in London. Among the nurses she spoke with was Shane Snape, 28, right, who has contracted the virus, but has not developed the disease.

George Pritchard, a former anti-nuclear campaigner with the Greenpeace environmental group, as a consultant for a consortium working on methods for disposing of nuclear waste underneath the seabed. The men have been accused by their activist former colleagues of selling out to the enemy. Mr. Searle said they were being "realistic" by encouraging greater openness on the part of industry and helping to study solutions acceptable to both sides.

Around Europe

Dutch brothels have been legalized with the abrogation in Parliament of a 1911 law that banned brothels and pandering. Despite the law, neighborhoods such as Amsterdam's red light district, where prostitutes advertise themselves openly in ground-floor windows, have been tolerated for centuries. It will be up to city authorities to decide where brothels should be located. The new legislation permits setting standards for public order and for the

health and safety of clients and prostitutes. The measure legitimizes a business that has an estimated yearly revenue of 1 billion guilders (about \$485 million). Dutch prostitutes and pimps are estimated to evade taxes of 250 million guilders annually.

In the latest crackdown on "franglais," the intrusion of English into the French language, the French government has issued a list of 98 French economic terms to be used "compulsorily" — by the administration at least — instead of English words. Marketing will be *mercatique* from now on, to be carried out by a *mercaticien* or *mercatienne*. Fixing has been translated as *fixage*, and offshore has become *extra-territorial*. Know-how, however, remains as simple as *savoir-faire*.

Nelson's Column may return to Dublin, but without a statue of the famous English admiral on top of it. City officials are considering rebuilding the pillar, a Dublin landmark blown up by Irish nationalists in 1966, on the capital's main thoroughfare. O'Con-

nell Street, for the city's 1,000th anniversary next year. But Nelson's statue will not be back on the Doric column, a symbol of past British rule. "It would be just the pillar with a viewing platform on top," according to city officials.

King Louis XV of France ordered 300 "preventive machines," or condoms, from England in 1749, according to a letter found in the British Royal Archives and published in this month's issue of History Today. The French monarch sought the condoms not to prevent disease but because he had "an utter aversion to his Mistresses bearing Children." Colonel Joseph Yorke, a British envoy in Paris, wrote to the Duke of Cumberland in a private letter dated April 26, 1749. Because of a papal ban, condoms were not available in Roman Catholic France. Louis XV ordered his Master of the Royal Household "to procure 300 or more of those preventive machines, made use of by the Gallant but prudent young Gentlemen of this age."

—SYTSKE LOONJEN







# TRAVEL

- Hedonistic Rio
- Home as Hotel
- Airlines' Credit Card

International Herald Tribune

## TRAVELER'S CHOICE

### French Visas Now Valid For 3 Years

Six months after imposing new visa requirements for Americans, the French government has begun issuing visas valid for three years instead of one. The new multiple-entry visa costs \$15, the same as the one-year visa, which was required beginning last Oct. 1. Visas are being issued without regard to when a passport expires. Shorter visas are available: a 72-hour transit visa (\$3), intended mainly for travelers passing through France to another destination, and a three-month multiple-entry visa (\$9). According to the French Consulate General in New York, visas are required for all travel to France and to French dependencies, including Guadeloupe, Martinique and St. Barthélemy. But travelers to the West Indies are not required to pay for their visas and they do not have to get them in advance. A visa will be issued free at the airport on arrival. These visas are valid only for the duration of one's stay on the island of destination. There are two ways to get visas to France: in person or by mail. When applying in person (you can go to any one of the 10 French consulates around the United States), you will need to submit a visa application, a color passport-size photo, two inches by two inches, your passport and another piece of identification containing a photograph, and a certified check, money order or cash. To use the mail, get an application from a travel agent or from an airline office. Send it with your current passport and a self-addressed, stamped envelope (for faster service use a prepaid express mail cover) and a money order (payable to "Consulat de France") to the nearest French consulate. Allow at least two weeks for processing. Consulates are in Boston, Chicago, Detroit, Houston, Los Angeles, Miami, New York, New Orleans, Puerto Rico and San Francisco. Visas are also available from the French Embassy in Washington. More information is available from the French Tourist Office (212-757-1125).

### London Docklands Go Futuristic

Queen Elizabeth II will open the £77 million Docklands Light Railway on July 30. Starting from Tower Gateway, a short distance from the Tower of London, driverless electric trains will operate a frequent service over the 12-kilometer (7.4-mile) route. There will be two other stops: at Stratford and at Island Gardens on the Isle of Dogs. From here, passengers can walk under the River Thames by means of a foot tunnel, to Greenwich, home of the National Maritime Museum.

### Cottages on Rangoon's Royal Lake

Set in a mango grove on the shore of Royal Lake, eight new Burmese-style cottages, part of the Kandawgyi (pronounced Can-Doe-Gee) Hotel, recently opened in Rangoon. The cottages — two units to a building — are made of Burmese teak. Interiors are furnished in rattan, cane, wicker and hessian. Each cottage has a private bathroom and a new luxury standard for Rangoon. And there is a kitchenette. Each unit has a screened porch, with a view across the lake to the Karweik restaurant and culture center. The cottages are about \$65 for one or two people. There are cheaper hotel rooms in the main building. Mailing address: Post Office Box 1467, Rangoon; telephone 82255, 82327 or 83925; Telex: HOTOCC 21330 BM.

### On The Trail of the Danish Vikings

In the 9th and 10th centuries, Danish Vikings settled parts of eastern England and northern France. During June — along a route beginning in Copenhagen and proceeding by way of Elsinore and Paris — a 19-day tour will focus on this history. "The Viking Tour of Medieval Denmark, England and France" is organized and led by Peter Graygaard, a Danish scholar who has taught at the University of Minnesota and Odense University in Denmark. Originating in Copenhagen June 5 and ending in Paris June 23, the tour is \$3,240 a person in double occupancy, including accommodations, breakfast and dinner daily, sightseeing, bus and ferryboat transportation, taxes, service charges and tips. Air fare is not included. Information is available from Plantagenet Tours, 85 The Grove Moor-down, Bournemouth, Dorset BH5 2TY, England; from the United States 800-521-4556.



The Village church at Trub in the Emmental region of Switzerland.

## The Traditional Taste of Emmental

by Marcia R. Lieberman

EMMENTAL, Switzerland — Overshadowed by the nearby Alps, the Swiss Emmental region is undiscovered and completely unself-conscious. Although many people recognize Emmental as the proper name for what Americans call Swiss cheese, the region is little known outside Switzerland. Yet it's a place of gentle rolling farmland, magnificent old farmhouses and villages so pretty that if they were, say, in the Cotswolds, they'd be buzzing with tourists and dotted with tearooms of conspicuous quaintness.

Emmental valleys are generally narrower than English ones, with more sharply defined hills, and the houses are made of pine, weathered to a deep velvet brown. Emmental villages are working agricultural communities; they are not, as is often the case in the south of England, showcase villages for tourists, fashionable retirement spots, or bases for upscale city commuters.

Here is the landscape of children's picture books: soft round hills, curving roads, farmhouses surrounded by fruit trees. The farms, small by American standards, are scattered among the hills, within sight of each other. Each farm is an independent domain, almost self-sufficient, with land for pasture and crops, woods for winter fuel, a fruit orchard and vegetable garden. In this deeply pleasing countryside the star feature is the farmhouse, decked with flowers and supporting a roof of heroic proportions — surely among the most handsome farmhouses in the world. Each farmhouse sits between a garden of vegetables and flowers and an orchard of apple and cherry trees, and sometimes pear and plum as well. Everywhere there are signs of plenty: stuffed haylofts with grass bursting through the cracks, huge woodpiles, a profusion of vegetables and berries in the gardens, ripening fruit in the orchards.

The traditional Emmental farm consists of three buildings. The *Bauernhaus*, the largest, contains farmhouse, stables and a huge hayloft, united under an enormous roof that folds over the gabled ends and dips almost to the ground over the long sides of the house. The roof is the embodiment of shelter, enfolding humans, beasts and a winter's supply of fodder under its capacious embrace. Some Emmental houses are partially timbered, but most are made entirely of wood,

darkened with age to a rich, deep brown. Across the facade run tiers of balconies, often carved with folk-art patterns and hung with flowerboxes. On one of the long side walls a ramp leads to the hayloft, whose cavernous door is large enough to admit a loaded wagon of hay. Below the hayloft are the stalls and pens for horses, cows, pigs and other animals.

Behind the big house is a little one, the *Stockli*, or dovecote house. In the Emmental, the farms are inherited by the youngest son. As the parents pass the farm on they move into this smaller house, near enough to help, but under another roof. Like the *Bauernhaus*, the *Stockli* is made of weathered wood and hung with flowers. The third building, near the *Stockli*, is the *Speicher*, or storehouse, often ingeniously carved and painted. The *Speicher* once contained everything of value to the family: heirlooms, precious cloth, dried meat and fruit, even family documents. Jeremiah Gotthelf, a 19th-century Emmental pastor who wrote stories about his native region, called the storehouse "the great treasury of a farm; consequently it usually stands a little removed from the house so that, if the house goes up in flames, it can still be saved, and when the house begins to burn the farmer shouts: 'Save the store, the other house doesn't matter so much.'" Today the *Speicher* is used mainly to store herbs, extra preserves and odds and ends.

In front of the *Bauernhaus*, just a few steps away, is a large kitchen garden, always beautifully tended, where the farmer's wife grows vegetables, berries and flowers, and nearby is a small orchard. Thus the farmhouse sits in the middle of a garden of plenty. Beyond the house and garden, the land is used for grazing and producing hay. While the mainstay of Emmental farming is the dairy herd, farmers often grow large crops of potatoes as well as wheat and other grains.

Although you can tour the Emmental by car, the best way to see it is on foot. If the Netherlands is the land of cyclists, Switzerland is the land of walkers; more than any other country in the world, Switzerland has been developed for walking. Not only the Alps but every region of the country is laced with trails. And the Emmental is a favorite region for Swiss walkers, who love to ramble here for a week, a weekend or even a day, as most of its trails can be covered on a day trip from Bern.

One of the most agreeable features of this country-

side is that the farms aren't kept at a distance from the tourist or the walker behind a fence. The great charm of walking through the region is that the trails link not only villages but also farms, leading across fields, pastures and woods, then winding right through farmyards and past farmhouse doors. A public footpath may pass between the farmhouse and the woodshed, then through the orchard. In the Emmental we have walked under cherry trees, with ladders propped against their trunks, the grass below strewn with fruit. During a long walk you can enjoy the solitude of woods and fields, and then the sight of families mowing, of farmers driving in their cows for the evening milking, of new bales of hay being loaded into haylofts. And hikers are welcome — the farmers will wave to you as you walk by.

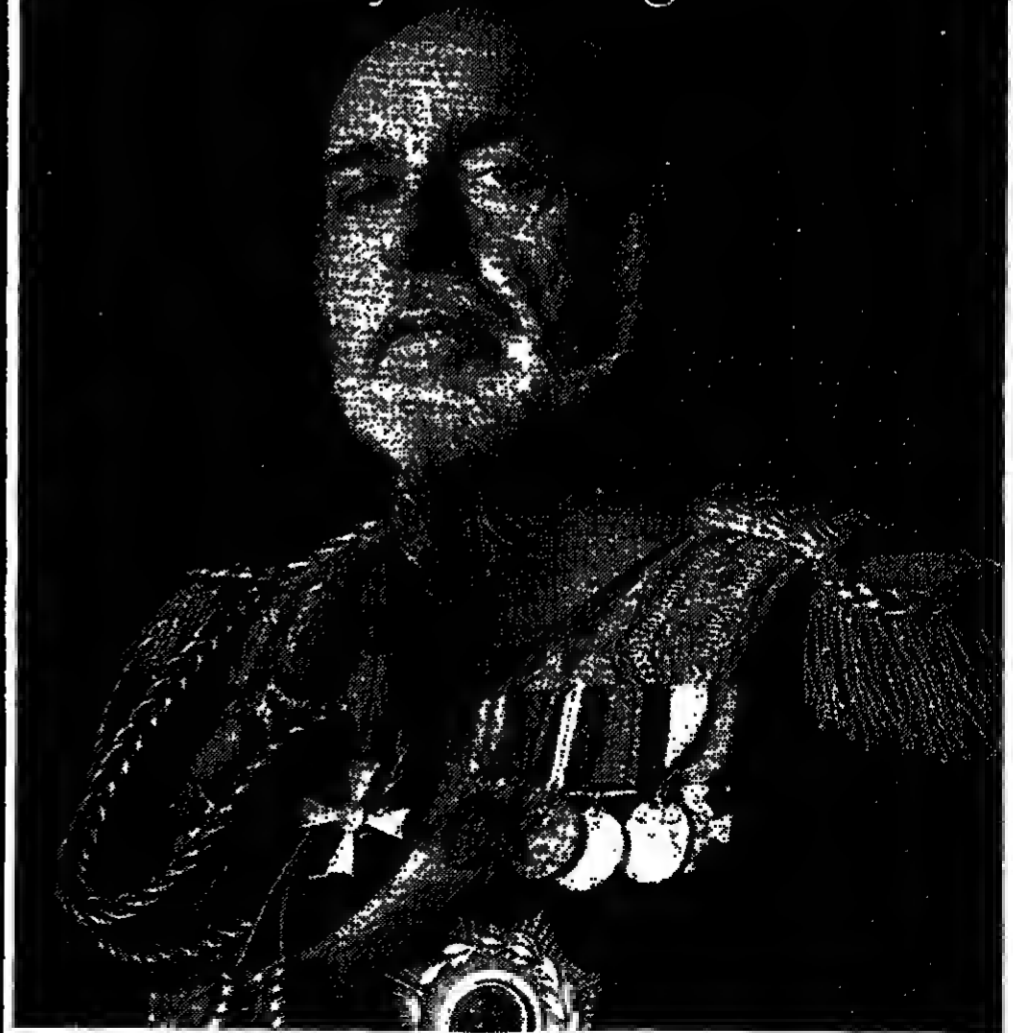
On one of our visits we were guests of the Langenegger family, who have farmed in the area for more than 550 years. In their farmhouse 10 people sit down every day at each meal, apart from any guests. This little community consists of Hansueli and Elsbeth Langenegger, their four children (aged 4 to 13), two apprentices — a young man learning farming and a young

woman who helps Elsbeth in the kitchen — and two elderly men, formerly hired hands for Hansueli and his father before him. They remain with the family as pensioners now, helping with the chores they can still manage. Sitting in the Langenegger kitchen, which is quiet and snug, and fragrant with the smell of simmering apples or fresh bread, you would never guess that just beyond the kitchen wall (a very stout one, with a lot of air space on the other side), are stalls and pens housing 18 cows, 50 pigs and several horses.

As Elsbeth showed us her cellar, we saw at once why an Emmental farm has traditionally been considered a little kingdom in itself. In one room she keeps a year's supply of apple cider, both sweet and hard, made on the farm from the Langeneggers' own apples. Some of the cider is stored in wooden barrels, the rest in huge glass jugs. Elsbeth explained that cider used to be heated and stored inside wooden casks, giving the cider a slightly woody taste, but that cider keeps better over the long winter when stored in glass. Near the cider racks were barrels of cherries, fermenting for Schnapps, also made on the farm. The Swiss govern-

Continued on page 8

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## SHOPPING

### Kyoto's Classic Brushes

by Amanda Sincich

KYOTO — Because Kyoto was spared the bombings of World War II that devastated Tokyo, Nagoya, Osaka and other Japanese cities, streets of dark old houses remain intact, pretty much as they were in the 19th century.

House-proud Kyoto-ites take care of their seemingly fragile wood, paper and plaster houses and the furnishings within the same way their ancestors have for hundreds of years, often using the same types of equipment, some of it still made by hand within the city. But young people have little desire to apply themselves to the demanding work of making these things, and in many cases the present generation of craftsmen may be the last.

If you cross the Sanjo Bridge over the Kamo River on the north side of the street, you can't help swerving toward Naito Rikimatsu Shoten. The display of cleaning utensils and brushes fills the bridge storefront just west of the most valuable properties in Kyoto. Brooms and brushes hang so thickly in the back doorway that you have to duck under them to enter. The window is stocked with artists' and textile-dyers' brushes made of the hair of goats, deer and horses; hand-tied *shuro* or hemp palm brooms for sweeping *tatami* matting, paper *shoji* screens and other

delicate surfaces; tightly bound cylinders of hemp palm for scouring and scrubbing. The store's cool, dark interior looks much as it must have when it was founded in 1818. Until the mid-1970s, all of the rich brown *shuro* brushes and brooms were made right here.

Since old Mr. Naito, who made them, died many years ago, each type of brush is now made by an artisan who specializes in a particular material (*shuro*, rice straw, or the like). There used to be more shops like this in Kyoto, but now there are only two or three. The craftsmen who make these wares are mostly in their 60s, and there are no younger ones to succeed them when they are gone, says Mr. Naito's daughter, who is taking over the business from her mother.

The variety of material, form and construction at Naito recalls an age when the tools of housekeeping and even of craft work were more specialized than they are today. The housekeepers and craftsmen who still use them seem to belong to an earlier time, when most Japanese lived in traditional homes, ate Japanese food served in Japanese-style utensils, wore kimono and did not ride subways or bullet trains. One of the standard pieces of equipment still in every Japanese kitchen is a *tawashi*, a horsehair brush of *shuro* that just fits the hand. A *tawashi* is for scrubbing vegetables as well as pots and pans.

Naito carries two grades, with softer, lighter brown bristles or stiffer, dark bristles (\$1 to \$1.35). Kyoto kitchen aficionados insist that Naito's *tawashi* is different from and superior to any found in ordinary housewares stores.

Another inexpensive item, a perfect gift for a friend who appreciates good design, is a toilet brush. Naito sells two types: One, with a horseshoe-shaped brush and elegant speckled bamboo handle, is much like the familiar ones of nylon and plastic. The other, made of fiber taken from ferns, similar in appearance to *shuro* but stiffer, is shaped like the slender Japanese pipe, called a *kiseru*, that holds only a thimbleful of tobacco. The dark bristles are bound with shiny copper wire onto a naturally mottled bamboo handle. This masterpiece of color, form and texture costs \$2.75. The *kiseru* was originally made for scrubbing any rounded deep container, like the large ceramic jars that used to store sake or soy sauce, but since these are no longer common household utensils, many customers have adapted the *kiseru* to a more humble task.

The Japanese passion for bathing manifests itself here, too, in the form of body brushes to stimulate your circulation before a bath or to be used with soap and water. Two loops of white-cotton cord allow you to flip the brush over your



Mrs. Ko Naito, owner of Naito Rikimatsu Shoten.

shoulder to scrub your back. The white bristles are softer than the dark brown *shuro* and better used dry. Wood-backed brushes, with stiff, white vegetable-fiber or black horsehair bristles serve as hand brushes, body brushes or laundry brushes. Those with machine-set bristles are \$3.50, but those with

bristles set by hand, much more tightly packed are priced from \$13.50.

Amanda Mayer Sincich is currently studying ikat textiles in Japan on a grant from the Social Science Research Council. She wrote this article for The New York Times.



TRAVEL

THE FREQUENT TRAVELER  
Airlines Woo Travelers  
With A New Credit Card

by Roger Collis

A FICIONADOS of prestige plastic should consider making room in their wallets for a new charge card that is to be launched next month. Thirteen European airlines have formed a company to market AirPlus, a successor to the venerable UATP Air Travel Card, 50 years old last year. In addition to air tickets, AirPlus can be used to pay for hotels, restaurants, car rentals and rail travel. It has been designed as a smart card for future automated ticketing machines. What's more, AirPlus claims that there's no spending limit.

AirPlus is a powerful challenge to the major card companies from whom the airlines expect to claw back some of the commission they are paying on purchases of air tickets. (According to the Association of European Airlines, to which the 13 AirPlus carriers belong, 20 percent of its 20 member airlines' sales are accounted for by credit cards; this is expected to rise to 40 percent by 1990.) They also hope to gain a share of the action in the cashless society.

The AirPlus Company, based in London, is wholly owned by the airlines backing the card — Aer Lingus, Air France, Alitalia, Austrian Airlines, British Airways, Finnair, Iberia, Icelandair, KLM, Lufthansa, Sabena, Swissair and TAP Air Portugal. Shareholdings are in relation to turnover, but no airline is allowed to hold more than 25 percent.

"The company is so structured to prevent any airline gaining dominance," says David A. Huemer, the managing director of AirPlus. "This is a European initiative, but membership is open and other scheduled carriers from around the world will be allowed to join the corporation; shareholdings would then be recomputed on the basis of revenue passenger kilometers."

Each airline will issue its own card and customize it by adding benefits, such as accident insurance, to the basic package. As a member of the Air Travel Card program AirPlus will immediately be accepted by more than 250 airlines worldwide and approximately 46,000 travel agents. Huemer claims to have signed up 1,300 hotels so far, including some major chains, such as Hilton Corporation, and 7,800 car rental outlets. "We are looking for 100,000 cardholders by the end of the first year and 800,000 within five years throughout Europe," Huemer says. "This will represent about 12 percent of European business expenses."

Airlines will favor AirPlus over other cards because they will pay a much lower commission — 1.25 percent to the card-issuing carrier, the same as for an Air Travel Card. An airline that sells a ticket on its own card pays no commission, except a small fee to the AirPlus Company. Similarly, AirPlus is likely to be welcomed by merchants. Most commercial credit card firms charge a commission of 2 to 7 percent which can depend

on volume and payment terms. Bank cards, such as Visa and MasterCard, charge less than charge cards, such as Diners and American Express. According to Frank Ebbighausen, the manager for credit card sales at Lufthansa in Frankfurt, the AirPlus commission is somewhere in between. Huemer won't say what it is except that "it's closer to that of Amex and Diners."

Apart from the prestige of unlimited credit, what does AirPlus have to offer the business traveler? Says Colin Evans, chief executive of the International Airline Passengers Association in London, "It's interesting but a bit vague at the moment. I expect they'll add more and more benefits once they've got people used to it and have more names and addresses. One hopes the airlines will pass the benefits of lower commissions on to the passenger, but I don't think they will."

Standard AirPlus benefits are barely in line with other major cards. A cash advance of \$200 a day and an emergency check cashing facility of up to \$500 at participating airlines' offices compares with being able to cash personal checks for up to \$5,000 with an American Express Gold Card (every seven days in the U.S., every 21 days abroad) and \$500 a day cash with a Visa Premier Card. According to Huemer, the "baseline" automatic insurance with AirPlus is 100,000 Euro-currency units (with an option to increase up to 500,000 ECU) for death or disability. Swissair has boosted it to 250,000 Swiss francs (about \$165,000) up to an optional maximum of 750,000 Swiss francs. This compares with Diners' free comprehensive travel insurance at home and overseas (\$100,000 for personal accident and \$100,000 medical expenses).

The prime value of AirPlus for the corporation and the traveler is the facility to control business expenses.

Says Kurt Kummer, manager of credit cards at Swissair in Zurich, "We show 11 elements on our billing system, which is adapted to individual needs. A firm can see in detail what it spends on hotels, air transactions such as ticket number, kind of tariff, routing sold with which airlines; car rentals, expenses broken down by cardholder or cost center and so on. Cardholders have the option of paying monthly, weekly, fortnightly or on a fixed date."

According to Huemer, the main thrust of AirPlus promotion is to corporations to buy cards for designated executives. Travel agents are also being invited to issue AirPlus cards carrying their name to their customers. But the initial response from agents is not enthusiastic. Many see AirPlus as a way for airlines to obtain information about passengers and sell tickets direct to them.

Independent travelers will find it hard, but not impossible to get AirPlus cards. According to both Ebbighausen at Lufthansa and Huemer at Swissair, credit checks will be rigorous.

Suburban London's  
Historic 'Home'

by Paula Davies

LONDON — The room is large, light and prettily furnished. A vase of flowers and a bowl of fruit, mineral water and a tin of homemade biscuits await the guest. The bathroom has not only the usual bits and pieces, but also a full-size toothbrush and paste, as well as seltzer, Band-Aids and tampons. A VIP suite in a smart hotel? Not at all. This is one of the two guest rooms in bed-and-breakfast accommodations in the London suburb of Ealing.

Although the cost, at £22.80 (\$36.70), is only about one-tenth that of a grand hotel, this is no ordinary guesthouse. No. 52 Mount Park Road is listed in "The Historic Hotels of London," a highly selective and somewhat eclectic guide that also looks at such grand hotels as the Connaught and Dorchester.

Many businessmen and tourists are beginning to look for a home rather than a hotel; for personal warmth and welcome instead of the ubiquitous, impersonal hotels that are the same world over.

But Ealing? Dubbed the "Queen of the Suburbs" in the 1880s when its Victorian villas were built, Ealing was once one of London's many satellite villages and a market garden for the City in Elizabethan times. Famous in the 1950s for quintessentially English comedy films from Ealing Studios, the area is now one of those unexceptional suburbs, where ordinary families live and which tourists seldom see.

However, like other parts of London, much of Ealing is now a conservation area, and many of the houses, including No. 52, were built for substantial Victorian businessmen who took the hansom cabs to the new railway station on their way to work in the city.

Now the cabs are modern, and Ealing Broadway station is on the subway system, half an hour from the center of town. But the cobblestones are still set around the station, and nothing seems to have changed the Victorian peace of the wide, tree-lined street where No. 52 stands. Set back from the road, the house is solidly Victorian, with huge, high-ceilinged rooms, wide staircase and large, rose-filled garden.

The country-house furniture mixes well with the lace and embroidered cushions and rugs, not to mention the heirlooms, that decorate the house. There is an air of class but unpretentious English taste that extends to the big kitchen with its gleaming copper pans and old-fashioned Aga cooker. It is a very private house, furnished with love and care. So why bother to take in guests?

The owners, Paddy and Judith O'Hagan, who have two sons of 11 and 9, thought carefully before opening their home to strangers. But Judith wanted an independent income without having to leave home and they both like staying "with people like us." "I am extremely gregarious," said Paddy, an actor turned craft-teacher who plays the

host's part to perfection. "Most hotels are impersonal and unless you can afford the greatest you might as well stay in someone's home. We are trying to make it, not the same as home for that would be impossible, but the nearest people can get to staying with friends."

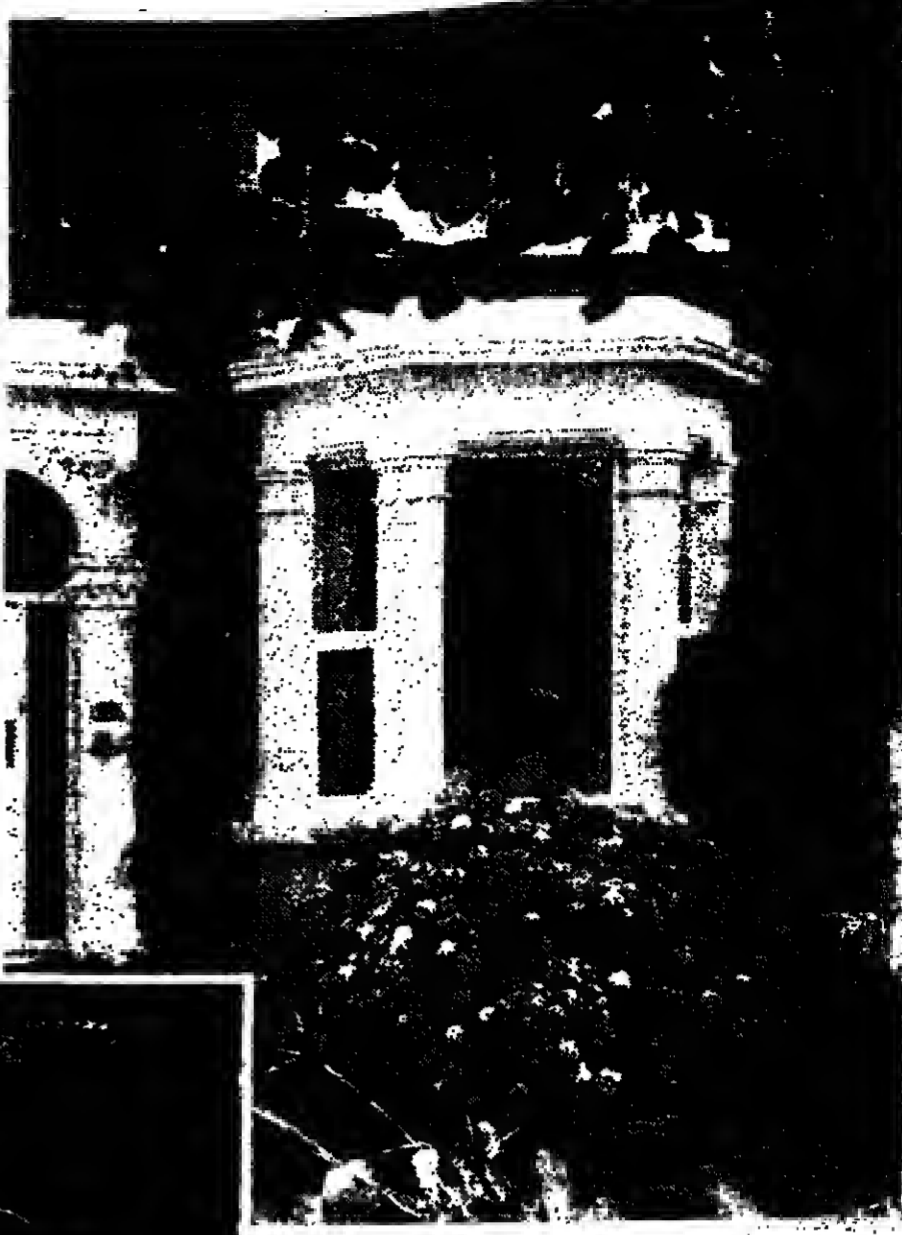
Their guests are well-traveled, independent and looking for something different. There was the peripatetic financial director who complained that he usually spent most evenings in a hotel bar with no one to talk to. "He told us he probably wouldn't be in for supper," said Judith. "But soon he would come rushing 'home' for a meal and a chat. This can be supper for around £8 or a full-blown dinner party from £12 up. "We don't make money on the evening meal which everyone eats together but it creates the homey atmosphere we want," said Judith.

It gets even more homey when the children, Fiann and Dickon, join in. "They love it," said Judith. "It has been very good for them to meet real Americans and not just the stereotypes they see on television. There was the officer from a nuclear submarine who parried their questions about it with the remark, 'that's classified,' even to the amount of chips consumed on board. And there was the engineer building a bridge in



Alaska who turned our dining table into a model suspension bridge and taught the boys all about wind-flows and the chill factor."

The dinner on my visit was as good if not better, and certainly more original than all but the best London hotels. There is no choice, but then there is none when you dine with friends. We ate a delicious celeriac and basil soup, followed by beef olives with four perfectly cooked vegetables and a superb home-made orange ice cream served with chocolate and orange sauce. There were drinks before dinner in the comfortable



Nothing seems to have changed the Victorian peace of the street where No. 52 stands. The house is solidly Victorian, with huge high-ceilinged rooms, wide staircase and large, rose-filled garden.

drawing room, wine with the meal in the candlelit dining room, followed by cheese and coffee.

It was more than satisfactory, as was the formidable English breakfast. So much so that the American visitors we met were planning to alter their itinerary to return. "That is not at all unusual," said Judith, "but if they want to go on to a similar home, I can telephone ahead and make a booking. It is like being part of a very nice club to which you can send your friends."

The club in her case is Wolsey Lodges, a marketing group whose brochure lists 97

homes from Scotland to Cornwall. All are inspected regularly to maintain standards, and the company will arrange bookings if necessary. Contact Wolsey Lodges, 17 Chapel Street, Bideston, Norwich, Suffolk IP7 7EP, England. The company's booklet, "Welcome to an Englishman's Home," is published by the British Tourist Authority for distribution overseas.

"The Historic Hotels of London," by Wendy Arnold, is published by Thomas & Hudson, £5.95. Paula Davies is an London-based journalist.

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Emmental

ment allows farmers to distill three liters of alcohol for every cow they own. This Schnapps allowance is based on the dairy herd because when an Emmental cow calves, the farmer gives her a mixture of one half liter each of Schnapps and coffee, as a restorative. "And also," Elisabeth told us, "if a cow has stomach problems, we give her Schnapps."

In another cellar room are racks of jars containing a year's supply of jam, preserved fruits and vegetables, pickles and relishes, raspberry syrup — all made with products of the farm. Downstairs as well is the wooden tub in which they scrub the hair off slaughtered pigs. The Langeneggers kill two every winter and make their own sausage. Elisabeth showed us a machine for kneading bread: every 10 days she bakes a dozen big loaves and also various Kuchen — cookies with fruit or cheese, and finger-shaped cakes that taste like doughnuts. And she showed us the churn with which she sometimes makes her own butter.

Emmental farm families rise early. On every farm the cows are milked at 5:15 and then driven out to graze. (Guests can stay in bed a little longer and watch the second milking at 5 P.M.) One of the men brings the morning's milk over to the Chasi — the Swiss dialect word for cheese dairy, where milk is turned into Emmental cheese. The cheese is not mass-produced at a

giant factory; instead, there are several dozen of these small dairies all over the Emmental, each employing two or three people. (If you want to visit a Chasi and watch the cheese-making process, the farm family you stay with or the Langnegger tourist office can make arrangements.)

At 7 A.M., after two hours of work — the pigs and other animals must be fed after the cows are tended — the family gathers in the wood-paneled kitchen and sits down to a breakfast laid with Elisabeth's bread, butter, homemade jam and cheese. The table is laid in front of the window, with a view of fields and apple trees. Elisabeth and her apprentice cook on a big wood stove, using a small electric stove on warm summer days. Firewood is stacked in a great open cabinet in the kitchen, near the pantry, which is painted with folk-art designs.

The work after breakfast depends on the season and the weather. While the two pensioners clean the barn, the others harvest on fair days, repair farm machinery or wash the cows on rainy ones. Potatoes are harvested in the morning, wheat only in the afternoon, when the dew has evaporated. The potatoes are sorted out — the larger ones kept for the family's use, the small ones stored for seed and broken potatoes fed to the cows. There are other crops to plant or harvest: rye or barley and corn, which they grind up and make into pellets for the animals. The most important crop, though, is the grass, upon which the whole enterprise de-

pends. During the summer the grass is mown several times for winter hay, then it must be tossed and dried and baled and loaded into the hayloft in the Bauernhaus. On some farms part of the hay is stored in silage, but this silage, which is slightly fermented, may not be fed to cows whose milk will be used for Emmental cheese.

Lunch is ready at 11:30; the table is covered with food and the farm crew is ravenous. At one lunch we began with vegetable soup, followed by hot casseroles, noodles baked with grated Emmental cheese and sliced sausage, and green beans cooked with a slab of bacon. At every meal pitchers of both sweet and hard cider are passed around the table. Elisabeth has recently started to brew zucchini, and she served a tasty curried zucchini relish, a recipe she devised herself. Her delicious bread was handed around and a large salad followed the hot dishes. At another meal she served Rosli, the traditional Swiss potato dish like a large, crisp pancake, and fresh spinach. Nearly everything we ate was produced on the farm.

Work continues immediately after lunch. Besides the home farm the Langeneggers own an Alp, a summer farm at a higher elevation, where they send their heifers to graze in the summer. Once or twice a week someone goes up to the Alp to clear weeds, pull up stones and check on the heifers. And there's work to do in the forest; every Emmental farmer grows not only his food but also his fuel, and every farm has a wood. The Langeneggers cut down between 50 and 100 trees a year, keeping enough to burn and selling the rest.

Continued from page 7

Meanwhile, Elisabeth not only prepares meals and preserves food but also plants and tends the garden, which is no mere pastime since it feeds the family. It is full of vegetables, herbs and such fruits as strawberries, raspberries and red currants, and also, like every Emmental farm garden, of flowers. During the major harvest season,

Elisabeth helps the men in the fields. Throughout Switzerland during the mowing season, entire families — men and women, children and grandparents — gather to mow and feed the grass that will feed their livestock through the winter. On small farms, or ones with steep slopes, scythes are used.

At 4 P.M. the family gathers again for a snack of bread and cheese, tea or cold milk. The evening meal, served at 6:30, is very much like lunch, with soup again ("for the hardworking men," Elisabeth explained), a potato dish, meat and salad, coffee and fruit tart or cookies.

Despite her daunting routine, Elisabeth has time for a hobby: she restores the old painted chests and cupboards called *Bauernmalerei* that still furnish many farmhouses. These are painted in a primitive, folk-art style with images of farmers and their wives, animals, fruit and flowers. The Langenegger house has several such pieces. You can also expect to find old tiled stoves built into the walls of these farmhouses, with a seat where in times past the family used to sit for extra warmth. When we visited the Langeneggers, in August, herbs were laid out to dry on the seat of the living-room stove.

Outside the Langeneggers' kitchen door is a cobbled alley leading to the cow stalls behind the living quarters and the pig pens across the door. Cowbells are hung over the door, and next to the doorstep we saw a row of rubber boots and a large jar of red and yellow gladioli. Boots and flowers — practicality and charm — aptly symbolize the Emmental farm.

Marcia R. Lieberman is co-author with her husband, Philip, of "Walking Switzerland — the Swiss Way," to be published in June by the Mountaineers, Seattle. She wrote this article for The New York Times.

FOOD

Back to Bistro

NEW YORK — As love affairs go, it's been a brief one. Just as Manhattan diners were developing an appetite for Buffalo chicken wings and Cajun marlin, five-alarm chili and lobster club sandwiches, they turned around and have quietly, almost unconsciously, gone back to eating French.

All over Manhattan, the restaurants that are drawing raves, crowds, and return visits are the new wave of French bistros, where diners thrive on choucroute and cassoulet, onion soup and leeks in vinaigrette. This doesn't mean that the all-American yuppie palaces that began popping up a few years ago are on the auction block. Ernie's and America, Arizona 206 and Terrakota, with their encyclopedic menus and sometimes bizarre concoctions, are still doing fine. But the trend is away from big, noisy, overdesigned, ballroom-size dining halls, and back to small, intimate, frankly comfortable French.

No matter that for a brief, patriotic time, even the most ardent Francophiles were noisily abandoning steak frites in favor of tacos and guacamole, and Lillet for Kentucky bourbon. Now it is time to get back to basics, to food that fills a need, that's more satisfying.

Suddenly, meat is back, big portions are in style, and Beaujolais is the drink of the hour. Some of it has to do with a quiet lust for what seems like simpler times or to a romantic longing for la vie de bohème. Americans are slowly discovering that meat does not kill and dieting is no fun. (As one diner was recently quoted as saying: "If you give up everything you love in life, and go around eating poached blowfish, why live?")

Of the half-dozen bistro-style restaurants sampled recently, the best of the lot include the noisy, bustling Quatorze and the amusing, unusual Florent. Both were born of a desire to fulfill what the owners felt was need for a return to no-frills, satisfying food and limited, familiar menus.

Florent Morellet, a Frenchman who has lived in New York for 10 years, wanted to open a restaurant in a place that already had some history and character. He found his dream in the old R & L restaurant, a classic 1940s coffee shop in the gritty Lower West Side/wholesale meat district. Here, in an almost nostalgic, Art Deco setting — which Morellet hopes will remind diners of the old central Paris food market, Les Halles — he serves a personalized interpretation of French bistro fare, with a small invasion of American favorites.

Yes, this is another form of restaurant as theater, but there is at least a serious attempt to serve good food with flavor, something sorely ignored here in recent years.

At Florent, the most popular items are the soups (gratinated onion, of course), superb bouillon noir (blood sausage), a series of gratins, and simple grilled chicken. Whether you call it a blue plate special or a plat du jour, there's a familiar litany of daily offerings, including pot au feu, choucroute and what Morellet calls "a sort of bouillabaisse."

He says he intentionally avoided creating a restaurant that would survive only in "an alcoholic environment." Thus, he serves no whiskey or vodka. Beaujolais — a Beaujolais cru — is his most popular drink, and old-fashioned plastic-covered stools.

Quatorze also appeals to those searching for an unpretentious touch of France in Manhattan. The owner, Mark Di Giulio — who opened Brooklyn's Bridge Café in 1979 — and his partner, Peter Melzer, were looking for a restaurant that was an antidote to the over-complicated, nouveau cuisine-inspired food of recent years.

So Quatorze, an unadorned and lively spot decorated with huge French posters, serves up gargantuan platters of authentic choucroute, an impeccable and soothing navarin d'agneau, superb American oysters on the vine, and a soul-satisfying chicken salad with bacon and hot peppers. The wine list is particularly well chosen, and includes inexpensive, little-known French reds, like Faugeres from the Langnedoc region, and some fine but not yet overpopularized Rhone Valley wines, such as Gigondas, Cornas and Chateaufort-de-Pape.

"The best complement of all is that waiters and chefs, like Gilbert Le Goffe of Beaujolais, come here to eat steak on their night off," Di Giulio says.

Restaurants Florent, 69 Gustave Street, New York, tel. (212) 989-5779. Open 24 hours daily. No credit cards. From \$10 to \$30 a person, including wine, tax and tip.  
Quatorze, 340 West 14th Street, New York, tel. (212) 206-7006. Open daily, except Saturday and Sunday at lunch. Credit card. American Express. About \$40 a person, including wine, tax and tip.

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TRAVEL

Catching the Spirit Of Hedonistic Rio

by Robert del Quilero

RIO DE JANEIRO — The first sight of Rio de Janeiro — for preference from the air as dawn reaches from the ocean over Brazil's most famous city — strikes the spirit the way only Sydney and New York can. Sydney for the breathtaking location, New York for all the moving and shaking going on down there. Rio for both.

The northern hemisphere has been brought up, largely by Hollywood, to believe that Rio is the place that makes any hedonist's dreams come true — and does so this side of bankruptcy. The main fount of ecstasy is taken to be Carnival — the annual juggernaut of earthly delights that always sends a clutch of heart attack cases to their maker. This is not a bad way to go. Although the fun lacks refinement, it is taken at full tilt for about a week, at the end of which the city and its people are like a rag wet with blood, sweat, tears and laughter.

Like Easter, Carnival is a movable feast that peaks each Shrove Tuesday (in 1988 that's Feb. 16), by which time... well, one American student said as she watched the going-on at one fancy-dress party: "Wow, it's amazing. Everybody gets laid in Brazil!"

For the tourist, Carnival is most easily sampled as a show — the parade of sumptuous floats, drummers and dancers that, on four successive nights, writhes along the purpose-built Sambódromo — stark, stadium-style terraces ranged the length of a broad, paved strip of concrete with floodlight towers and swarms of TV crews whose employers are the event's main paymasters these days.

Even if the social satire in the songs and trappings passes you by, the nights of spectacle are worth sending the bucket down your well of stamina. A big bucket. I waited at about 4 A.M. during one parade that had started on schedule just after sunset, going home to catch some sleep and waking at about 11 A.M. to find the spectacle still going on, with paraders and spectators alike frying unshaded in temperatures at 45 degrees Centigrade (113 degrees Fahrenheit) plus. One of the diesel engines under all the neon-lit elaboration of a monster float had broken down and held up the parade for hours. It didn't finish until 2 P.M. No way the parade could be abandoned. Every district's samba school has to complete its mobile display so as to be assessed against its rivals through a complicated points table — all this before Lent turns to Ash.

I think the best way to pick the winter is to concentrate on the drumming. This also helps to stay sane those of us to whom the surreal impact of 200, 300 even 400 drummers (in each school) bawling away sounds, at first, like all the blacksmiths in Hell being let out together. Relax, let the samba into your head and you'll feel the lift and coherence of a well-drilled bateria (corps of drummers). They are sustaining an irresistible dance beat, with drums they have to carry while dancing in formation along a half mile of concrete on one of the hottest nights of the year. Keeping one eye on the band master, they dodge the topless dancers wriggling at the end and out of their ranks pursued by hussars.

There's also plenty of engaging behavior before the parade as the schools (eight or 10 each night) form up, mount their floats and prepare to give their all. The hassle of getting my press pass was made more than worthwhile. I got a close-up view of the sulphurous stunts, supported by much hawking and spitting, directed by a magnificent squad of black women dancers — flanks gleaming, eyes flashing, keyed right up for the night of the year when they strut their very best stuff — at the two famous white model girls brought in by the school's gambling-boss patrons to attract TV and press attention. The pair wrinkled at the last minute to their up-staging spots on the front of the float.

No question who would be sliding under the communal tep afterwards, and who would be showering in a Copacabana duplex.

stimulants that come powdered and more expensive. The best way for the visitor to get to grips with Carnival is to buy a ticket for one of the balls — all-night thrashes in a hotel ballroom — the best of which are put on by the gay crowd. The gays have come out something amazing in the last few years in Rio. New York and California chapters send charter flights. Many of the seeming girls frolicking all over are *transvestites*. Impressions of Paris notwithstanding, all the Brazilian events haven't emigrated to the Bois de Boulogne. Careful: AIDS has reached Rio, too.

If the Carnival ball, especially in the later stages, becomes too sweaty and gross for you, take a break at an outdoor street party, have a few beers and dance a few steps with the locals. Keep your wits about you, though, even if your fancy dress disguises the fact that you're a foreigner (see advice below).

Carnival doesn't last forever. The very word means farewell to meat, to the flesh, although I doubt Rio will ever say goodbye to that. Listen to the bunch of foreign businessmen arriving at the airport and scoffing at the idea that they might have brought their wives. "To Rio?" The obvious male foreigner circulating downtown soon finds out what this is all about, even if he hasn't come with his mind already on SWOOPSWOOP. With the briefest, give-us-a-break pout at the head waiter, they've slipped a bangled arm each through his all of a sudden as he was gazing at the menu of the restaurant he found on page... "Er, what/wass/qu'est... "A gente gosta de você, garotinho!" (We like you, cute stuff!) the two instant acquaintances exclaim and let rip the 1,000-watt smiles. He feels like the flower in the forest that all the birds of paradise want to hover by. He grins back and thinks: What the hell.

Before you curl your lip, remember that these are poor girls from the *favelas* (shanties) that, from the distance of the beach, look pretty clinging to the sides of the mountains. The foreigner could be the real ticket



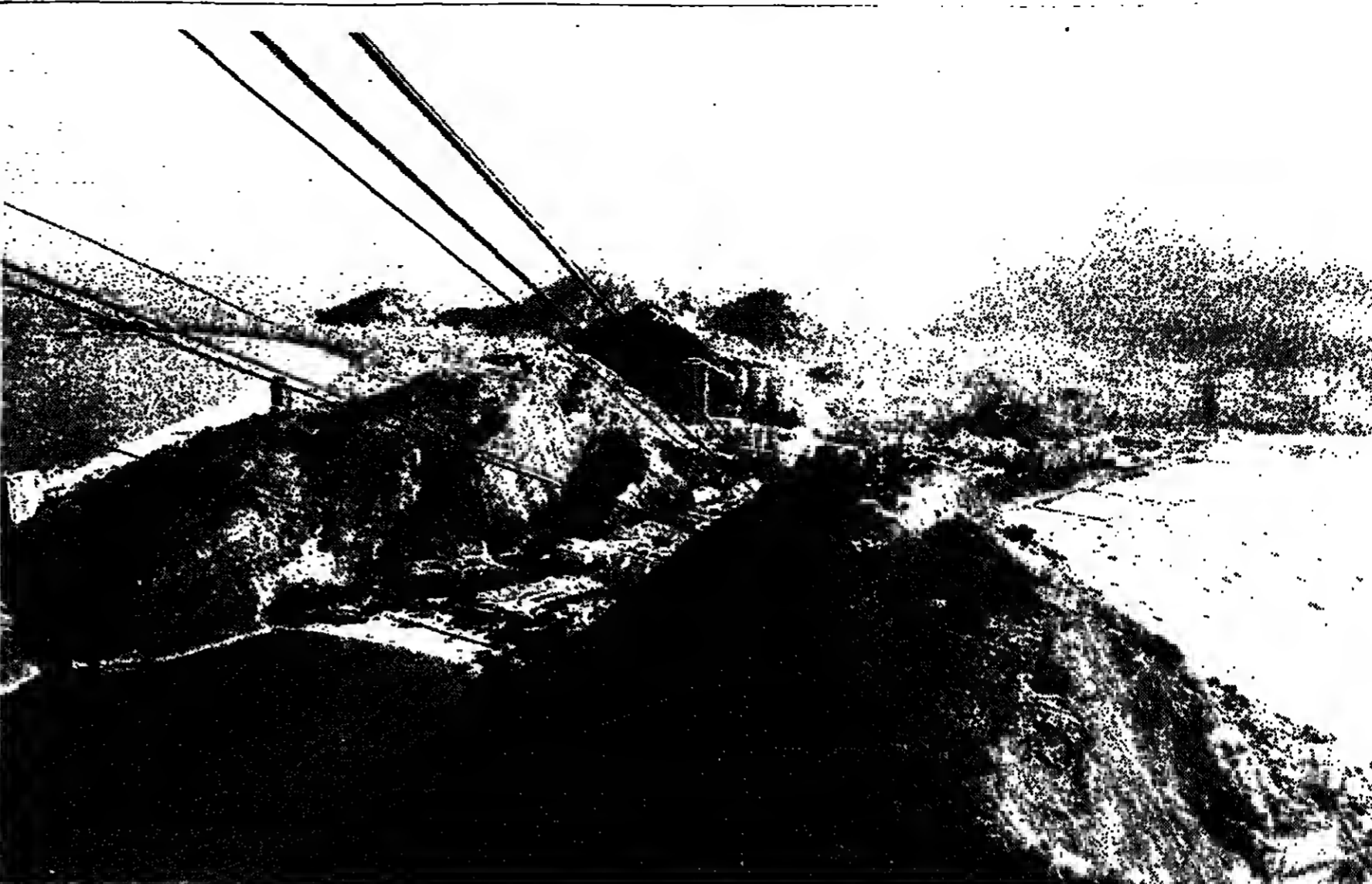
Carnival doesn't last forever.

out of unemployment or the sweatshop. A wage of \$75 a month is good going in Rio. "You know, Teresa's cousin actually married that German with the wacky knee." "Come down to Leblon with me, Aparecida, you learned lots of English from those Americans." Male hustlers are also ingratiating and hoping.

Restraint? That's for the visitors. We have the option. Most *carriocas* (inhabitants of Rio) live in those shanties, which grow every day as more families arrive from the countryside where modern farming is driving out small-holders and laborers. The aim is to produce crops for export so that Brazil can pay its huge debts to northern hemisphere banks.

The upshot on the street is thievery and rough stuff. Basic precautions: Be alert, dress down, wear no jewelry. A money-belt is essential gear. At all times outdoors I carry in a separate pocket 10 bucks worth of local currency ready to be surrendered to robbers. There are instances in Rio of thieves, offered just a few cents and a pleading look, handing back "essa micharia" (that pitance) with a lordly gesture. But there is proof in the morgue of a different response.

Don't make a fight of it. Don't say anything that would show you are a foreigner. Brazilians think tourists are loaded like



Rio de Janeiro: breathtaking panorama.

Crosses, which they mostly are by comparison. That means, say *nothing* because anyone who doesn't live there would never manage enough Rio slang to pass for a *carrioca*, especially when looking down the barrel of a .38. No wonder Christ the Redeemer, who spreads his arms over Rio from atop Corcovado and gives the city its emblem to the world, withdraws into the clouds now and then.

By the way, I don't believe — especially since I had to interpret for a Brazilian and a Colombian in a Rio store — that you can get by in Spanish in Brazil. You're more likely to find someone who can manage in English, the learning of which is an obsession with promotion-minded Brazilians. "Inglês é bom negócio, né?" ("English is good business, isn't it?") they ask. Reassure them, whatever you think of woodoo economics or Thatcherite pragmatism.

Then again, a poor South American city is a cheap city for us from where the dollars, pounds, francs and yen grow strong. A three-star hotel room for \$15 a night is no problem most of the year, January and Carnival being busier. A light lunch at one of the hundreds of corner bars can be had for \$2.50 — and a *capella gratulata* for even less at one place on the Avenida Copacabana as the counter-hand takes your tip, sings out its value and the entire staff choruses well-practiced thanks. Brazil's cultural melting pot — Portuguese, Spanish, African, Italian, Japanese, German — makes for a variety of cooking pots.

I'm leading you down a shady path here but be advised that, depending on the fevers and calms of a mercantile money market, the *paralelo* (black market) rates for foreign money can be as much as 25 percent more in the visitor's favor than the official rate.

The *combina* (currency dealer) is scared of being burgled and of being raided by the feds, so you face interrogation by interview and scrutiny by close-circuit TV as you explain your business at the door of an unmarked office suite. Go with someone known to the staff or be ready with an explanation in Portuguese as to how you got the address. Failing that, most hotels will give you a fair-to-middling *paralelo* rate. It's the yankee dollar, in cash, that whistles loudest in Brazil.

Rio was always compact, making the most of the bits of land between the mountains and the sea. Now its smart Metrô (underground railway), where a 12-journey ticket costs only \$1.50, makes the going even easier, though it's closed on Sundays. The southern section terminates at Botafogo, where a connecting bus service takes you on to the beaches of Copacabana, Ipanema and Leblon.

What with the undertow close to the sand, the sea is mainly for looking at from the beach, where the being seen in *lingerie* (those dental floss bikinis) and macho pouches jostles with the tanning, soccer and volleyball. Even the standard procedure of standing in the shallows and tipping water over each other to cool off has its drawbacks where the

pollution is gaining. The western beaches, more open to the sea (such as Barra da Tijuca, Gáves, Leblon and Ipanema), are generally better in this respect than those further into the bay (Copacabana, Botafogo and Flamengo).

After a while, Rio gets on my nerves with its article of faith that, if your surface and your subcutaneous aren't fascinating and firm, then you're out of favor. Rio is the cultural capital of Brazil — outside the southern summer's dog days — with dance, opera and concerts abounding. But the preening doesn't let up at such events.

Museum-goers can find relief at the Belas Artes, Brazil's top establishment art gallery, but the day out that pieces me together in Rio is a trip up to the old district of Santa Theresa, aiming for the little Chácara do Céu gallery. There is a succession of well-chosen temporary exhibitions and the permanent pleasures include works by Matisse, Monet, Picasso — and a spare and perfect Modigliani that has maximum tonic effect in a city that tends to go over the top.

Clatter into Santa Theresa on the *bonde* (streetcar), so called because the line was

built with money raised by bonds issued in London, up winding streets with flowering walls, from its start downtown near the sawn-off pyramid of the new cathedral.

As a vertigo sufferer, I don't look down during the first two minutes of the ride as the *bonde* travels a narrow viaduct without parapet. One sneeze would surely take the whole caboodle over the edge.

One branch of the line (the tram/streetcar that says P. Mattos on the front) ends in a little square where stands the Maçã Dourada (Golden Apple) restaurant (closed Mondays, lunches at weekends only). It is run by an American woman known to all as Dona Diana and a fount of information and goodwill. Stroll down there from the Chácara do Céu, ask Betty at the bar to mix you a *caipirinha de cachaca* (white rum with ice and lemon), order the cook's special and round off a restoration.

Brazil is not far off the size of the continental U.S. and a visitor wanting to see more than Rio might well buy an air pass (for 21 days usually) before arrival. Efficient international air services can take you to São Paulo, the business center, Brasília, the federal capital, the (drinkable nowadays) wine and cattle

country of the far south, the waterfalls and wildlife near the frontiers with Bolivia and Paraguay, the old churches of Ouro Preto, vast empty beaches and *candomblé* (African religious rites) of the northeast, and the Amazon jungle.

This last is best in the dry season (April to October), and offers one of the most stirring natural phenomena I've ever seen, near the city of Manaus, where the River Solimões and the River Negro meet. For miles the two vast bodies of water flow side by side, the brown of the one not mixing with the black of the other, like two superbly endowed but hesitant lovers, until suddenly the waters do merge and, a thousand miles from the Atlantic, the mighty Amazon is on its way. This should be closely witnessed, bobbing about on the great congress in a little riverboat.

Brazil is the foreign place that comes to my thoughts most often. For us from the north its image is that of a society still forming, the fluidity making for many errors but for happy possibilities and improvisations. We've peaked; they're still rising.

Robert del Quilero is a London-based journalist specializing in South American affairs.

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Some beaches are better than others.



NYSE Most Actives table with columns: Vol., High, Low, Last, Chg.

Market Sales table with columns: NYSE 4 p.m. volume, NYSE prev. close, etc.

NYSE Index table with columns: High, Low, Close, Chg.

Thursdays NYSE Closing logo and text: Via The Associated Press

AMEX Diary table with columns: Class, Prev.

NASDAQ Index table with columns: Close, Chg., Prev.

AMEX Most Actives table with columns: Vol., High, Low, Last, Chg.

Dow Jones Bond Averages table with columns: Class, Chg.

NYSE Diary table with columns: Class, Prev.

Odd-Lot Trading in N.Y. table with columns: Buy, Sell, %'s

Dow Jones Averages table with columns: Open, High, Low, Last, Chg.

Standard & Poor's Index table with columns: High, Low, Close, Chg.

NASDAQ Diary table with columns: Class, Prev.

AMEX Stock Index table with columns: High, Low, Close, Chg.

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Large table of stock prices with columns: 12 Month High, Low, Stock, Div. Yld. PE, etc.

Dollar Pushes Dow Down 32.96

NEW YORK — Prices on the New York Stock Exchange finished sharply lower Thursday in active trading, hurt by fears that the Federal Reserve Board would boost interest rates to stabilize the dollar's value on world currency markets.

The Dow Jones industrial average fell 32.96 to 2,339.20. Investors led gainers 1,268-346 among the 1,990 issues traded on the New York Stock Exchange.

Table of stock prices (continued) with columns: 12 Month High, Low, Stock, Div. Yld. PE, etc.

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ATTENTION U.S. INVESTORS! Individual Retirement Accounts available from Fidelity in London! Includes contact information and a coupon.

Large table of stock prices (continued) with columns: 12 Month High, Low, Stock, Div. Yld. PE, etc.

Vertical advertisement on the right edge of the page, partially obscured.



**TECHNOLOGY**

**New Service Reduces Cost Of Access to Data Bases**

By **CHRISTOPHER BOIAN**  
*International Herald Tribune*

**P**ARIS — Personal computer owners who subscribe to such data-base services as Mead Corp.'s Nexis or Dow Jones & Co.'s DowPhone have long lamented the gap between the easy portability of computers and the prohibitively high cost of getting at data when traveling. When in Rome, for example, an investor wanting to tap the Mead data bank in Dayton, Ohio, would have to pay the full cost of a transatlantic call — about \$25 for three minutes, depending on time of day.

But now, a five-year-old Swiss company says it can make the link for the cost of a local phone call in any of several major cities around the globe.

"With our card and the necessary hardware, our customers can gain access to virtually any authorized data base in the world just by being near a telephone," said Roland Meylan, president of Compagnie de Communication Comco SA, a Zurich-based concern specializing in communications technology. "That means being in an office, a hotel room, a telephone booth or even in an automobile."

**The product 'combines several communications technologies in a simplified package.'**

According to industry experts, Comco's service is the first of its kind to employ a plastic card with a built-in microcomputer chip, usually referred to as the "smart card," for use in conjunction with a portable personal computer, a modem and a specially designed card "reader" for telecommunications purposes.

The service relies on the state-owned telecommunications systems in several countries called "packet-switching networks," such as France's TRANSPAC, that are already in place.

"Packet-switching" is the generic name for a way of transmitting data that involves grouping a number of separate transmissions with a common destination and moving them as a unit.

While packet-switching networks utilize some of the same technologies that telephone and cable networks use, including fiber optic cables and communications satellites, they are independent networks designed strictly for transmitting encoded data and are not as susceptible to transmission disruptions.

"We use this form of data transmission simply because it is by far the cheapest and most reliable way to move information," Mr. Meylan said. "What we have is a product that tries to combine several of the most efficient communications technologies in a simplified package."

**T**HE USE of Comco's service is relatively simple: The customer inserts the smart card into a "reader," dials a telephone number that establishes the connection with a Comco computer and punches the "enter" key on the portable computer. The instructions and options encoded on the card then appear on the computer's screen, telling the customer how to access a host computer.

"In essence we are selling a service," explained Mr. Meylan. "The smart card is the key ingredient of this service. It is the device that makes a fairly complicated and time-consuming procedure much easier to perform."

By using its own computers, called "gateways," to act as intermediaries between individual customers and the established packet-switching networks in several countries, Comco claims to be able to reduce telecommunications costs by up to 60 percent.

Customers, in addition to paying for what is usually a local call, purchased "tax units," which are spent each time the card is used to gain access to a Comco computer. A minimum of 200 units must be purchased each time the customer renews his subscription at a cost of 50 Swiss centimes each, or a total of 100 Swiss francs (about \$66).

So far Comco has installed "gateway" computers in London, Paris, Amsterdam and Geneva, at a total cost of 500,000 Swiss francs, and expects to have one in place West Germany this month, according to Mr. Meylan. It is also close to having computers in several cities in the United States and Asia, he said.

**IMF Says Growth Will Slow**

**Predicts Global Rate of 2.7%**

Reverses

**WASHINGTON** — The International Monetary Fund said Thursday that it expects the rate of world economic growth to slow to 2.7 percent this year, from 2.9 percent last year and 3.1 percent in 1985.

The forecast is disappointing for those economic policymakers who had hoped growth would provide an easy answer to the Third World debt crisis and mounting trade tensions.

Those topics are dominating discussions of the industrialized and central bankers at IMF and World Bank meetings in Washington this week.

The growth rate for industrial countries' gross national product, the total value of all goods and services, is expected to slow to 2.3 percent this year, compared with 2.4 percent in 1986, the IMF said.

For the developing countries, growth of gross domestic product, which does not include income from abroad, is expected to slow to 3 percent from 3.5 percent.

The poorest countries had hoped that new vitality in the industrial countries brought on by a sharp decline in oil prices would assist their economic recovery and help them cope with growing debt.

Economic analysts and the IMF have said for some time that growth rates of around 3 percent for the industrial world and 4 percent to 4.5 percent for developing countries would be needed to keep the debt crisis from turning into a rout.

IMF officials say that progress can be made below these levels but is much more difficult.

Debtors countries look to the wealthier states for markets for their products as well as financial assistance, so slow growth in the industrial nations means less money flowing into the Third World.

The U.S. economy, which is in its fifth year of expansion, has been a key market for developing countries, but the IMF forecasts that the U.S. economy will grow by only 2.3 percent this year.

**Japanese Funds Flow Faster to U.S.**



**Despite Dollar's Fall Against Yen**

By **Louis Uchirelle**  
*New York Times Service*

**NEW YORK** — Over the past two years, the dollar's unrelenting decline has cost Japanese investors huge paper losses in the value of their various holdings in the United States. But they are not selling off.

Quite the contrary, according to the Commerce Department, the Japanese are stepping up the flow of their money into the U.S. economy.

This is happening even as Americans fear that a continuing decline of the dollar might finally prompt the Japanese to pull out funds that have been a vital prop to the economy. That fear became especially strong after President Ronald Reagan's announcement of trade sanctions against some Japanese products sent the dollar into a new plunge last week.

The Japanese themselves say that over the long run they will continue to invest in the United States because it represents a haven and the best long-term return obtainable anywhere for their earnings from U.S. trade.

The dollar's fall, however, is drastically changing the mix of American bonds, corporate stocks, factories and property that the Japanese hold.

Since last month, American and Japanese traders say, almost no new money has gone into government securities, particularly Treasury bonds and notes. Japan's huge purchases of these securities in the last few years have helped to finance the federal budget deficit and thereby dampen U.S. interest rates.

Instead, the flow is into stocks — in a market that has soared nearly 27 percent since the beginning of the year — and into direct investment in factories, commercial real estate and other businesses. This shift is putting upward pressure on interest rates and provoking changes in some sectors of the domestic economy.

Japanese investment in the United States now totals \$135 billion, greater than that of any other country.

It was also noted that the principal U.S. undertaking at Paris, the promise to control the federal budget deficit, remains just a hope. Mr. Baker said, however, that virtually all analysts in the United States project declining deficits.

There also was a degree of skepticism evident that promises by the United States, Britain, and other countries to resist protectionism seemed to run counter to recent actions both are taking in retaliation against alleged Japanese discrimination on imports.

Meanwhile, the Interim Committee, which will issue a communiqué Friday on its deliberations, heard a series of pleas from debtor nations for more generous treatment. But it turned down what has come to be an annual request for an enlarged issue of the IMF's paper currency, known as Special Drawing Rights, on the basis of Mr. Baker's opposition.

Mr. Baker was known to be especially pleased with the promise by Japan to undertake a fiscal expansion of close to \$35 billion. Treasury officials said they believed this was an unprecedented commitment, amounting to about 1.5 percent of Japan's gross national product, and that it should significantly expand Japan's domestic economic activity.

However, there was less optimism about the G-7 accord among other countries attending the Interim Committee meeting. It was noted, for example, that despite pressure by the other powers, West Germany had refrained from adding to the promises it had made in Paris to expand its own economy.

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**EC to Investigate Chip 'Dumping' By Japanese**

The Associated Press

**BRUSSELS** — The European Community said Thursday it would investigate industry complaints that Japan was selling computer chips in Europe at unfairly low prices, an issue also at the heart of the trade dispute between the Washington and Tokyo.

The EC's executive Commission, which is empowered to act on trade matters for the 12 member governments, said it had seen "sufficient elements of proof" to justify opening an inquiry into the sale of the chips, or semiconductors.

The investigation will be limited to a type of computer memory chip known as EPROM, or electrically programmable read-only memory, the commission said.

If the investigation concludes that Japan has been selling the chips at unfairly low prices, the Europeans are considered likely to retaliate by placing higher duties on the Japanese products.

The announcement is likely to increase European-Japanese trade tensions, which intensified this week and last as Britain threatened Japan with sanctions over Tokyo's purported refusal to more quickly open its domestic markets and financial institutions to British firms.

In announcing the EC inquiry, the community's commissioner for foreign trade relations, Willy de Clercq, noted that Europe was challenging the U.S.-Japan semiconductor agreement in the General Agreement on Tariffs and Trade, the 92-nation body that is a forum for trade disputes.

Because Europe is heavily dependent on imports of computer chips, Mr. de Clercq said, "it cannot accept that their prices are arbitrarily fixed by the United States and Japan."

He said the U.S.-Japan accord of last July appeared to violate international trade rules.

The EC Commission said it was acting on a complaint lodged last December by Western Europe's main semiconductor trade group, the European Electronic Component Manufacturers Association, that Japan was selling certain semiconductors at below their cost of production.

This so-called "dumping" practice also is at the center of a U.S.-Japan semiconductor dispute.

Last month, the United States said it would impose punitive tariffs on a range of Japanese electronics products if Tokyo did not take action by April 17 to comply with terms of the semiconductor trade agreement aimed at halting the purported Japanese dumping.

Speaking in Parliament, Mrs. Thatcher said EC trade experts were meeting in Brussels on Friday to discuss a joint strategy.

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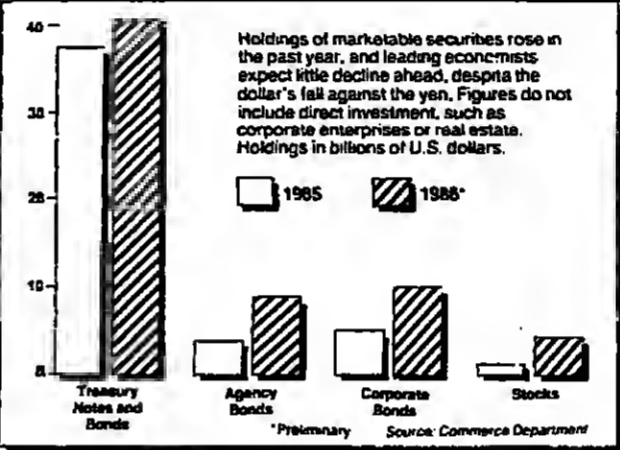
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**Growing Japanese Investments in U.S.**



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**Baker Warns IMF Panel Of More Trade Deficits**

By **Hobart Rowen**  
*Washington Post Service*

**WASHINGTON** — Treasury Secretary James A. Baker 3d warned Thursday that despite Wednesday's agreement among major nations to stabilize currencies, trade imbalances among the major countries were "likely to continue to be substantial" at least through 1988.

In a speech to the Interim Committee of the International Monetary Fund, Mr. Baker said that "it is far from clear that an expansion of domestic demand in surplus countries will be strong enough to ensure a sustained reduction in internal imbalances."

Mr. Baker nonetheless had high praise for the agreement among the nations of the Group of Seven, announced Wednesday night, which reaffirmed the decision six of them took in Paris in February to maintain exchange rates "around current levels." The U.S. position is that this agreement helps to assure the probability that the dollar will not decline substantially for the foreseeable future.

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**Currency Rates**

Cross Rates	April 9
Amsterdam	2.00
Brussels	36.36
Frankfurt	1.36
London	1.63
Madrid	166.67
Paris	6.55
Zurich	2.00
1 ECU	1.36
1 SDR	1.36

**Other Dollar Values**

Currency per U.S.	U.S. per Currency
Argentine	1.36
Australian	1.36
Belgian	1.36
Canadian	1.36
Chinese	1.36
Danish	1.36
Deutsche	1.36
French	1.36
Italian	1.36
Japanese	1.36
Swedish	1.36
Swiss	1.36
West German	1.36

**Interest Rates**

Rate	Value
1 month	7.00%
3 months	7.00%
6 months	7.00%
1 year	7.00%

**Asian Dollar Deposits**

Rate	Value
1 month	6.00%
3 months	6.00%
6 months	6.00%
1 year	6.00%

**U.S. Money Market Funds**

Fund	Assets
Merrill Lynch Ready Assets	5.37
Telestar Interest Rate Index	6.30

**Gold**

Price	Value
1 ounce	370.00
100 ounces	37,000.00
1000 ounces	370,000.00



**WHAT MAKES TDB EXCEPTIONAL? OUR GLOBAL RESOURCES, FOR EXAMPLE**

If you know banking, you probably know that TDB is one of the largest banks in Switzerland. What you may not know, however, is that we provide our services — from private banking to foreign exchange — on a worldwide scale.

Through our global link with American Express Bank Ltd. and its 85 offices in 39 countries, we offer the advantages of one of the world's largest networks. What's more, we give you access to the unique investment opportunities provided by the American Express family of companies — world leaders in the financial services field.

TDB did not achieve its present position overnight. The bank was founded in Geneva over a quarter-century ago, and has grown rapidly ever since. While growth remains one of our objectives, it is a point of principle with us to maintain a conservative ratio of capital to deposits and a high degree of liquidity — sensible strategies in these uncertain times.

Finally, while we stay abreast of change, we never neglect the basics. These include our traditional discreet, personal service, closely adapted to individual needs and goals.

TDB: an exceptional bank for the man with exceptional goals. Visit us on your next trip to Switzerland. Or telephone: in Geneva, 022/37 21 11; in Chiasso, 091/44 87 83.

TDB, the 6th largest commercial bank in Switzerland, is an affiliate of American Express Company, which has assets of more than US\$92 billion and shareholders' equity in excess of US\$5.7 billion.

**TRADE DEVELOPMENT BANK**  
An American Express company

Trade Development Bank head office in Geneva, at 96-98 rue du Rhône.



Thursdays NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect trade elsewhere.

12 Month High Low Stock Div. Yld. PE 52-Week High Low Close

Table with columns: 12 Month High Low Stock Div. Yld. PE 52-Week High Low Close. Lists various stocks and their performance metrics.

(Continued)

Table with columns: 12 Month High Low Stock Div. Yld. PE 52-Week High Low Close. Continuation of stock market data.

Table with columns: 12 Month High Low Stock Div. Yld. PE 52-Week High Low Close. Lists various stocks.

(Continued)

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INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 9th April 1987

Large table listing various international funds with columns for fund name, price, and other details.

NYSE High-Lows

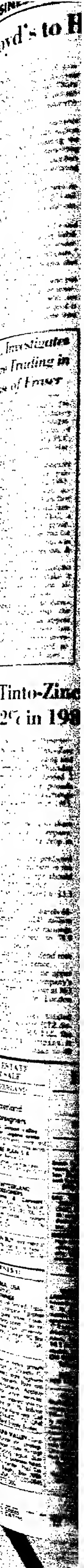
Table listing NYSE high and low prices for various stocks.

Company Results

Table listing company financial results, including revenue and profits.

Business Profile

Table listing business profiles for various companies, including industry and performance data.





BUSINESS ROUNDUP

Lloyd's to Help Meet Scandal Claims

LONDON — Lloyd's of London, in an effort to pay five-year scandal behind it, offered Thursday to breach its policy of unlimited liability for member underwriters.

The world's largest insurance market offered to pay £48 million (\$77 million) toward meeting the liabilities of PCW underwriting Agencies Ltd., whose founders were accused of misappropriating an estimated £39 million.

Komatsu Raises Prices Of Its Export Machinery

TOKYO — Komatsu Ltd. has raised the dollar-denominated export prices of its construction equipment by an average 3.2 percent due to the yen's appreciation against the dollar, the company said Thursday.

U.K. Investigates Share Trading in House of Fraser

LONDON — Britain's Department of Trade and Industry said Thursday it was investigating dealings in the shares of House of Fraser Holdings PLC, the retail group that owns Harrods department store.

2 German Banks Report Higher '86 Profit

FRANKFURT — Two West German banking groups, Bayerische Hypothek- und Wechsel-Bank and Berliner Handels & Bank, reported Thursday that profit had increased in 1986, but they expressed caution about prospects for 1987.

Takeover Rumors Lift UAL Stock; Trump Reported to Play Key Role

NEW YORK — Shares of UAL Inc. after a sharp \$6.25 rise Wednesday, gained another \$1.125 on Thursday amid intense speculation that a takeover of the company that owns United Airlines could be in the making.

Compag Founder Turns to Religion

By Arthur Higbee International Herald Tribune William H. Murto, who co-founded Compaq Computer Corp. in 1982, is leaving that highly successful manufacturer of personal computers to pursue a religious vocation.

INVEST: Despite Dollar's Decline, Japanese Funds Pour Faster Into U.S.

(Continued from first finance page) One other nation except Britain, and it is likely to continue at a rate near last year's 30 percent rise, according to Michael Shay, an economist in the U.S. Bureau of Economic Analysis.

Rio Tinto-Zinc Pretax Profit Fell 2% in 1986, Sales Rose

LONDON — Rio Tinto-Zinc Corp., the large British mining and industrial company, said Thursday that 1986 pretax profit dipped 2 percent to \$601.7 million (937 million at current exchange rates) from \$614.4 million in 1985, a restated basis.

Hutton Unit Fails In Bid to Buy Parolator Courier

NEW YORK — E.F. Hutton Group Inc. said Thursday that its \$265 million tender offer by its wholly owned unit, PC Acquisition Inc., for Parolator Courier Corp., had expired Wednesday without the purchase of any Parolator common stock.

Guinness Said to Drop Saunders Claim

By Warren Getler International Herald Tribune LONDON — Guinness PLC is backing off from earlier charges that its former chairman, Ernest Saunders, personally benefited from more than £3 million of what it asserts were unauthorized company payments, Mr. Saunders's lawyer said Thursday to the High Court.

To Our Readers Please send information about management changes to Business People

Barclays Bank PLC of London has promoted John A. Kerslake to chief executive for North America, effective June 1, with headquarters in New York. Mr. Kerslake, 50, previously was general manager of personnel in London. He succeeds Brian G. Pearce, 53, who becomes executive director and chief financial officer of the bank's worldwide operations in London.

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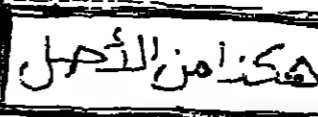


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CURRENCY MARKETS

DOLLAR: Baker's Remarks Send It to Low Against Yen, as Markets Test G-7 Accord

(Continued from Page 1) central bank intervention sustained the dollar, one senior trader said. The dollar finally burst a little before midnight, when Mr. Baker described exchange rate adjustments as having been orderly. Markets took this as a sign that the Reagan administration would not be unhappy if the dollar continued to decline at an even tempo. Earlier, the British chancellor of the Exchequer, Nigel Lawson, had suggested that the United States might be reluctant to raise interest rates to defend the dollar's exchange rate.

London Dollar Rates

Table with columns: Currency, Bid, Ask, Bid, Ask. Includes entries for Deutsche Mark, Swiss Franc, French Franc, etc.

from Wednesday's close of 146.05. It was also down more than two pence, closing at 1,819.2 Deutsche marks, against 1,830.0 Wednesday. Against the French franc, it closed at 6.0525, down from 6.0585. It also fell against the British pound, which closed at \$1.6200, against \$1.6160 Wednesday. To add to the dollar's problems, the House of Representatives rejected President Ronald Reagan's budget proposal for fiscal 1988 by an overwhelming majority. The budget deficit caused worry in some quarters that government spending will not be curtailed and that the Treasury's borrowing needs might increase. In the credit markets, the key 7.5 percent Treasury bonds of 2016, which traded as high as 95 10/32, retreated to a midday quote of 94 19/32 for a net loss of 13/16 for the day. The dollar also nosedived at the end of an otherwise quiet European trading day.

M-1 Falls \$2 Billion NEW YORK — The basic measure of U.S. money supply, M-1, fell \$2 billion to a seasonally adjusted \$738.9 billion in the week ended March 30, the Federal Reserve said Thursday. The previous week's M-1 level was revised down to \$740.9 billion from \$741.0 billion. In the credit markets, the key 7.5 percent Treasury bonds of 2016, which traded as high as 95 10/32, retreated to a midday quote of 94 19/32 for a net loss of 13/16 for the day. The dollar also nosedived at the end of an otherwise quiet European trading day.

In London, the dollar closed at 146.55 on Wednesday, at 1,824.0 DM, down from 1,838.0 on Wednesday, and at 1,513.0 Swiss francs, down from 1,527.5. The pound, which was sidelined for most of the day, closed at \$1.6185, up from \$1.6130 on Wednesday. In earlier European trading, the dollar was fixed in Frankfurt at 1,838 DM, down from 1,834.8 Wednesday, and in Zurich at 1,518.5 Swiss francs, down from 1,529.3. In Paris, the dollar closed at 6.0865 French franc, down from 6.1105 Wednesday. (Reuters, UPI, NYT, AFP)

The G-7 Statement

WASHINGTON — Here is a summary of the statement by the Group of Seven, the United States, Japan, West Germany, France, Britain, Italy and Canada, issued after their meeting Wednesday in Washington. The ministers and governors reaffirmed the commitment to the cooperative approach agreed at the recent Paris meeting, and noted the progress achieved in implementing the undertakings embodied in the Louvre Agreement. They agreed, however, that further actions will be essential to resist rising protectionist pressures, sustain global economic expansion, and reduce trade imbalances. In this connection they welcomed the proposals just announced by the governing Liberal Demo-

cratic Party in Japan for extraordinary and urgent measures to stimulate Japan's economy through early implementation of a large supplementary budget exceeding those of previous years, as well as unprecedented front-end loading of public works expenditures. The government of Japan reaffirmed its intention to further open up its domestic markets to foreign goods and services. The ministers and governors reaffirmed the view that around current levels, their currencies are within ranges broadly consistent with economic fundamentals and the basic policy intentions outlined at the Louvre meeting. In that connection they welcomed the strong implementation of the Louvre Agreement. They concluded that present and prospective progress in implementing the policy undertakings at the Louvre and in this statement provided a basis for continuing close cooperation to foster the stability of exchange rates.

Thursday's OTC Prices NASDAQ prices as of 3 p.m. New York. Via The Associated Press

Table of OTC prices for various stocks including ADC, AIG, AIGP, etc.

Table with columns: 12 Month High, Low, Stock, Div. Yld., Sales in 1000, High, Low, P.A.M. C/P, Net

Table of stock prices for various companies including AIG, AIGP, etc.

Table with columns: 12 Month High, Low, Stock, Div. Yld., Sales in 1000, High, Low, P.A.M. C/P, Net

Table of stock prices for various companies including AIG, AIGP, etc.

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Table of stock prices for various companies including AIG, AIGP, etc.

Thursday's AMEX Closing Tables include the notation prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Table of AMEX closing prices for various stocks including AIG, AIGP, etc.

Table of stock prices for various companies including AIG, AIGP, etc.

Table of stock prices for various companies including AIG, AIGP, etc.

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Deutsche Marks, Japanese Yen, Pounds Sterling, Saturday's Economic Scene. Get the big picture on world business trends in Leonard Silk's Economic Scene.







SPORTS

Rangers Shut Out Flyers, Kings Upset Oilers

Compiled by Our Staff From Dispatches PHILADELPHIA — Many of the faces have changed, but the New York Rangers still look the same to the Philadelphia Flyers in the Stanley Cup playoffs.

STANLEY CUP PLAYOFFS

playoffs, the Rangers defeated the Flyers, 3-0, Wednesday in the first round of Patrick Division play. Just as he was in last year's playoffs, goaltender John Vanbiesbrouck was a factor for the Rangers, who finished the season fourth in the division.

Maniago. The Flyers had gone 38 playoff games without a shutout. In Washington, the Capitals defeated the New York Islanders, 4-3. Mike Gartner scored 15 seconds into the game to touch off a three-goal Washington spurt in the first eight minutes. The Islanders, who trailed 4-1 midway through the final period, scored on goals by Mike Bossy and Bryan Trottier, the last at 18:57, to give the Caps a score.

Edmonton's Wayne Gretzky tied the former Montreal great Jean Beliveau as the leading playoff scorer in NHL history when he drew an assist in the first period. The point, the 176th playoff point of Gretzky's career, came in his 81st postseason game — exactly half the NHL record.

In Montreal, defenseman Larry Robinson ignited a four-goal first-period outburst with his 100th playoff point and Mats Naslund notched one goal and two assists to give the Canadiens a 6-2 victory over the Boston Bruins.

In Hartford, Connecticut, Paul MacDermid tipped in a shot by Randy Ladouceur at 2:30 of overtime as the Whalers came back from a two-goal deficit to win, 3-2, over the Quebec Nordiques. John Ogronick later drilled a shot past Whalers goalie Mike Liut, but officials ruled that it was after the buzzer.

In Edmonton, Alberta, Dave Williams, Bobby Carpenter and Bob Bourne scored third-period goals for the Kings, who used a strong third-period defense to put down the Smythe Division champions, the Kings had finished 36 points behind Edmonton.

In Calgary, Alberta, Dale Hawerchuk scored two goals to lead the Winnipeg Jets to a 4-2 victory over the Calgary Flames. Hawerchuk tied the score at 2-2 midway through the second period and gave the Jets a 4-2 lead early in the third.

In Detroit, Petr Klima and Darren Veitch scored first-period goals for the Red Wings, to lead them to a 3-1 victory over the Chicago Blackhawks. It was the first playoff appearance for the Red Wings since 1985 when they were eliminated in three games from a best-of-five series by the Blackhawks.

In St. Louis, Doug Gilmour and Gino Cavallini scored two minutes apart at the start of the second period for the Blues, helping the Norris Division champions to a 3-1 defeat of the Toronto Maple Leafs. Rob Ramage and Cavallini scored on power plays for St. Louis.

Richardson, who will be 32 Saturday, can apply for reinstatement in the NBA in February 1988 if he completes a league drug program, Long Island officials said. The USBL has eight teams. Its 30-game season runs from May 15 through July 19.



The Montreal Canadiens' Ryan Walter, left, dumps Reed Larson of the Boston Bruins.



Jack Nicklaus, left, and Arnold Palmer in Augusta: Between them, 10 Masters victories.

Tradition and Prestige Abound, But Is the Masters Still a Major?

By Gordon S. White Jr. AUGUSTA, Georgia — The 51st Masters golf tournament began Thursday with 70 to 80 players. Although it has most of the better known pros, its small field will exclude such players as Scott Hoch, who won last year's Vardon Trophy for the American professional with the best scoring average.

For these and other reasons the Masters, the first big tournament of each year, may no longer have the right to be classified as a major, along with the British and U.S. opens and the PGA Championship. At least that is the claim of some observers, who note that the other majors have twice as many starters, more impressive fields that provide a greater international flavor and many more potential winners.

Despite the criticism, however, it remains a goal and point of pride for a player to be invited to the Masters. A ticket to the Augusta National is just about the toughest to sports.

Among the many attractions of the Masters is its tradition. Bobby Jones created the course and the event midway through the Depression; this tradition is no mistake.

There are ceremonies such as the annual champions dinner; there is the champions room, where only former Masters winners have locker space; there is the old white clubhouse, with the second-floor porch where Gene Sarazen holds court each year and tells the real story of his double eagle at 15 in 1935.

And all over the place almost anything that is nailed down — and some things not nailed down — are coated with a dull, dark, green paint. Even the sandwiches are wrapped in green. Of course, each year the winner puts on a dark green jacket, one he wears with pride.

USBL's Knights Take Richardson As First Choice

WEST PALM BEACH, Florida — Michael Ray Richardson, banned from the National Basketball Association because of drug problems, was the No. 1 pick in the United States Basketball League draft Wednesday.

The Long Island Knights selected Richardson, whose troubles with cocaine interrupted a promising career in February 1986. He was a first-round pick of the NBA's New York Knicks in 1978 and was a four-time all-star before being disqualified from the league under the NBA's Anti-Drug Program.

Richardson, who will be 32 Saturday, can apply for reinstatement in the NBA in February 1988 if he completes a league drug program, Long Island officials said.

The USBL has eight teams. Its 30-game season runs from May 15 through July 19.

Ryan, Cruz Lead Astros Past Dodgers

HOUSTON — Houston's Nolan Ryan suffered through last season with a painful elbow and Jose Cruz had a slow start because of an ankle injury.

But they were in midcareer form Wednesday in leading the Astros to a 7-3 victory over Los Angeles Dodgers, completing a three-game sweep to open the season.

Ryan, 40, pitched six shutout innings and struck out 10 batters, increasing his major league record strikeout total to 4,287. Cruz, 39, hit a two-run homer to bring a seven-run seventh inning that rallied the Astros from a 3-0 deficit.

Cruz's home run capped the Astros' rally. Phil Garner, Jim Pankovits, Bill Doran and Billy Hatcher drove in runs in the inning, and Pankovits scored on left fielder Ken Landreux's throwing error.

All of Houston's runs came after Rick Hoeycutt gave way to Tom Niedenfuer, the first of three Dodger relievers. Hoeycutt shut out the Astros for six innings, retiring the final 10 batters he faced.

Reids 7, Expos 2; In Cincinnati, Buddy Bell and Bo Diaz each drove in three runs and Bill Gullickson over Detroit. Charles Hudson retired all 13 batters he faced in relief for the victory, and Dave Righter pitched the ninth for his first save of the season.

Rangers 6, Orioles 4; In Baltimore, Scott Fletcher knocked in four runs, including two with two out in the ninth, to rally Texas against Baltimore.

Twins 4, A's 1; In Minneapolis, Frank Viola struck out a career-high 11 batters, including six straight to open the game, and led Minnesota past Oakland. Viola held the A's hitless for the first 4 1/2 innings and surrendered only five hits and one run in seven innings.

Royals 9, White Sox 3; In Kansas City, Missouri, Buddy Biancalana clouted a three-run homer and Steve Balboni a solo shot, powering Kansas City over Chicago. Kansas City's Charlie Leibrandt had a no-hitter through five innings.

Angels 7, Mariners 1; In Anaheim, California, rookie Mark McLemore singled in two fourth-inning runs and Brian Downing and Doug DeCinces hit homers to spark California over Seattle. The Mariners have lost seven consecutive games at Anaheim Stadium.

SCOREBOARD

Hockey

National Hockey League Playoff Results

Table with columns for Divisional Semifinals, Eastern Conference, and Western Conference, listing teams and scores.

NHL Playoff Schedule

Table listing playoff schedules for Eastern and Western Conferences.

Basketball

NBA Standings

Table showing Eastern and Western Conference standings for various NBA teams.

Baseball

Wednesday's Major League Line Scores

Table listing Major League line scores for various teams including Cleveland, Toronto, and Houston.

Major League Standings

Table showing Major League Standings for Eastern and Western Divisions.

Transition

Table listing baseball news items such as 'NEW ORLEANS—Nomed Art Taitts baseball coach' and 'PITTSBURGH—Pleaced Osta Concession'.

Soccer

Table listing soccer news items such as 'Jamaica, First Level CHAMPIONS' CUP' and 'PENNSYLVANIA—Named Don'.



A Leg Up for Bayern Munich. Bayern Munich players celebrating a goal by Klaus Augenthaler (5), the first score to Munich's 4-1 victory over Real Madrid in Wednesday's first-leg, semifinal match in the European Champions' Cup. Real Madrid finished the match, in Munich, with only nine players after two had been expelled, one in each half. The return match, to Madrid, will be played on April 22.

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Large classified advertisement section containing multiple listings for 'ESORTS & GUIDES' and 'REGENCY NY' with contact information and services.

Pages 18, 13 & 6 FOR MORE CLASSIFIEDS



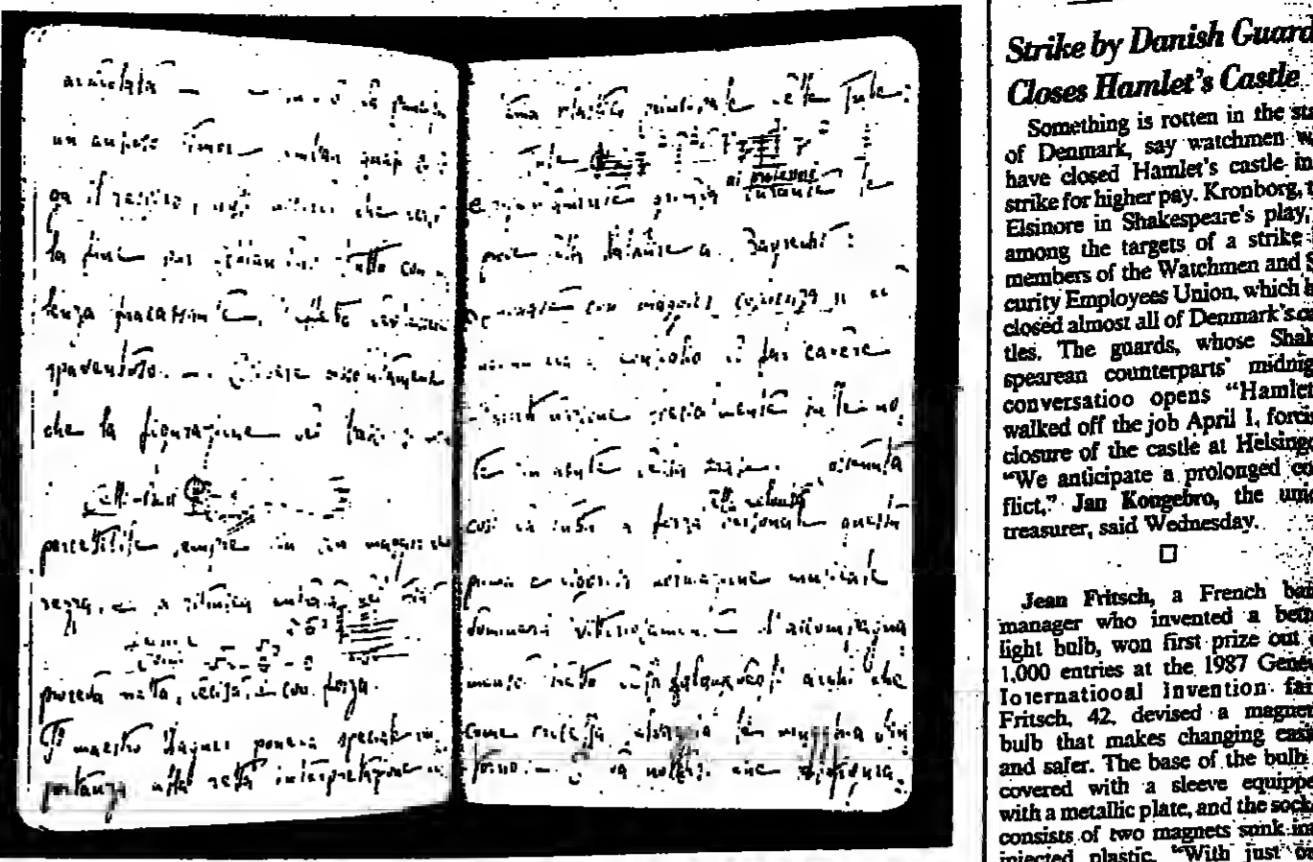
OBSERVER

The Fear of Glasnost

By Russell Baker
NEW YORK — Many Americans suffer from fear of glasnost. Mrs. J.T. of Boloma, Louisiana, for instance, writes that she "can't sleep nights anymore for fear of what those Moscow glasnost devils are up to with their fancy-cut clothes."

Toscanini's Legacy

By Will Crutchfield
NEW YORK — The long-awaited opening of the Toscanini family archives — thousands of scores, books, letters, records and items of memorabilia that have waited 17 years unsorted in a basement while the conductor's heirs dickered with the New York Public Library — comes at a moment of something like high drama in the saga of the great Italian conductor's posthumous reputation.



A notebook from archives in which Toscanini discusses Act 1 of "Die Walkure."

When an important artist has left a problematic legacy, it is all the more important that he be examined comprehensively by those who will be responsible for analyzing it and (ultimately) cutting it to the heart of the matter. The library's "Toscanini Legacy" is crucial in this regard. First of all, the debated NBC period is present in near completeness; every concert and most of the rehearsals that were recorded. This material was the source for most of RCA's Toscanini catalogue, and a great deal of the unpublished part has made its way onto pirated recordings of varying sound quality, many of them taken by home recorders off the air.

Strike by Danish Guards Closes Hamlet's Castle

Something is rotten in the state of Denmark, say watchmen who have closed Hamlet's castle in a strike for higher pay. Kronborg, the Elsinore in Shakespeare's play, is among the targets of a strike by members of the Watchmen and Security Employees Union, which has closed almost all of Denmark's castles. The guards, whose Shakespearean counterparts' midnight conversation opens "Hamlet," walked off the job April 1, forcing closure of the castle at Helsingor. "We anticipate a prolonged conflict," Jan Koenig, the union treasurer, said Wednesday.

Jean Fritsch, a French bank manager who invented a better light bulb, won first prize out of 1,000 entries at the 1987 Geneva International Invention Fair. Fritsch, 42, devised a magnetic bulb that makes changing easier and safer. The base of the bulb is covered with a sleeve equipped with a metallic plate, and the socket consists of two magnets sunk into injected plastic. "With just one hand and no effort, the magnetic bulb can be fitted into the electric supply," a press release said.

The Duke of Devonshire, who has sold Old Master drawings and prints from his Chatsworth House mansion for record sums, will sell more drawings July 6, including four landscapes by Rembrandt, Christie's said Thursday in London. Other artists include Raphael, Veronese, Correggio and Rubens, says Dyer.

Prince Charles has suggested scrapping the government subsidy of the British royal family's finances in an interview with Penny Juno, a journalist writing his biography. Queen Elizabeth and seven other members of the royal family receive annual direct payments from the taxpayers, known as Civil List pensions, which amounted to £5 million (about \$8 million) last year. A Buckingham Palace spokesman said the remarks were "quoted out of context." He added, "This is not an idea being pursued actively." Prince Charles does not receive a Civil List income, but in 1985 grossed more than £14 million from property he owns in Cornwall in southwest England.

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